Spectre of Bhopal haunts Union Carbide, Page 4

No. 29,700

Tuesday August 13 1985

D 8523 B

World news

to calm

EW FORK

Para State

ST DOLL

FRENCY ME

Durban townships return

Durban's Indian and black townships returned to calm after five days of unrest which have left an estimated 65 people dead, about 1,000 injured and widescale damage to homes, shops and property.

Members of Inkatha, the largely Zulu conservative mass movem

patrolled the black townships armed with knobkerries and sticks to ensure a return to work and Police sealed off the black town-

ship of Kwathema to the east of Johannesburg, searching cars and forcing pupils to return to their classes. Page 12

israeli release

Israel will today free a further 100 of the Lebanese detainees whose release was demanded by the hijackers of an American airliner last

Rebel blown up

A presumed left-wing guerrilla was killed by his own bomb in Santiago outside Chile's paramilitary police offices. The force is at the centre of a political scandal which has sparked anti-government protests.

Key witness dies

A key witness in the case against Portugal's revolutionary hero Otelo Saraiva de Carvalho and others, accused of belonging to a left-wing urban guerrilla group, died in a Lis-bon hospital from gunshot wounds.

Train sabotage

Two incendiary devices were found Forces railway carriages at a Frankfurt goods station, four days after a car bomb attack on the U.S. Rhein-Main air base killed two

Paris gunman killed

French police shot and killed an unidentified Algerian who held a hos-

Filipino exile returns

Filipino opposition leader Raul Daza arrived in Manila after exile in the U.S., saying he was ready to rejoin the struggle to restore

'Spy' secretary gone

West German authorities said they had drawn a blank in their search for the missing secretary of Economics Minister Martin Bangemann, adding to suspicions that she was a spy and had fled to East

Bush ahead

U.S. Vice-President George Bush has a substantial head start in his expected bid for the 1988 Republican presidential nomination, according to a survey of potential candidates. Page 4

Sweden reveals

Sweden's Social Democratic Gov- PRIVATBANKEN and three other ernment took the highly unusual step of publishing the results of the cuts in their lending rates of one International Monetary Fund's latest examination of the country's

economic performance. Page 2 Tanzanians freed

Four of 19 Tanzanians who were charged with treason a year ago for attempting to overthrow the Gov- Page 13 ernment were freed by a Dar es Salaam high court.

Greenpeace launch

The environmental organisation Greenpeace, whose flagship Rainbow Warrior was blown up in New Zealand last month, launched a new vessel and sent it to the An-

Soviet ship rescued

four months, has been rescued by Soviet icebreaker Vladivostok. at midway. Page 13

NONE RATE

\$1.15bn U.S. gas pipeline

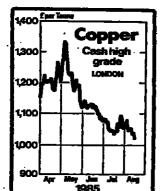
Business summary

MIDCON Corporation, the U.S. Mid-West gas pipeline company, made an agreed \$1.15bn for United Energy Resources of Houston in the latest series of U.S. gas pipeline

international stocks were ignored as sterling firmed. The FT Ordinary share index added 4.7 to 964.2. Gilts were stronger. Page 30

Jones industrial average was down 3.36 at 1,317.43. Page 39

TOKYO was unnerved by marke speculation about the Sanko Steam ship difficulties. The Nikkei-Dow market average declined 27.55 to 12,373.64. Page 30



COPPER: A big rise in official warehouse stocks last week to their highest level for a year dented confidence on the London Metal Exchange. The metal's cash high-Two incendiary devices were found by cleaning women on U.S. Armed the unofficial close, down £22.50 from Friday. Page 22

land figures the dellar's index fell to 137.1 from 138.3. Page 23

tage at gunpoint for nearly five STERLING was firm in London, hours in the Paris Grand Mosque, gaining 2.5 cents against the dollar gaining 2.5 cents against the dollar to \$1.2835. It also rose to DM 3.8675 (DM 3.8375), FFr 11.82 (FFr 11.7475). SwFr 3.185 (SwFr 3.175) and Y328.0 (Y323.25). The pound's exchange rate index rose 0.8 to 81.5.

> BANK OF ENGLAND took advantage of the stronger pound and an-nounced an £800m issue of gilt-edged securities. The 9% per cent

Treasury 2002 will go on sale on Thursday at a minimum tender price of 96, where the yield to maturity is 10% per cent. Money mar-kets, Page 23; Lex, Page 12 GOLD rose \$4.25 on the London bullion market to \$326.00. It was also higher in Zurich at \$326.75. In New

York, the Comtex October settlement was \$330.70 (\$336.30). Page 22 FRENCH FRAMECA consortium headed by the SGTE engineering group, signed a FFr 25m (\$235.2m contract to carry out further work on building the Caracas metro

ARAB RANKING Corporation, the Bahrain-based institution, owned by the governments of Abu Dhabi, Kuwait and Libya, reported a 10 per cent increase in profits to \$76m for the six months ended June 30.

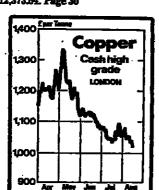
ROTHMANS HOLDINGS of Australia, the cigarette maker and dis-tributor, lifted net profits 11.5 per cent to A\$42.9m (U.S.\$30.5m) for the

ASEA, the Swedish electrical engi-

takeover

industry takeovers. Page 12 LONDON stocks firmed, although

WALL STREET: By 2pm the Dow



DOLLAR finished weaker in London, falling to DM 2,7875 (DM 2,8315), FFr 8,5525 (FFr 8,6625), SwFr 2,304 (SwFr 2,3445) and Y237.2 (Y238.55). On Bank of Eng.

leading Danish banks announced

LOEWS, the diversified U.S. group, disclosed in an SEC filing that it is seeking clearance to increase its 9.9 per cent stake in CBS, U.S. enter tainment group, to 15 per cent.

Soviet research ship Mikhaii neering and electronics group, re-Somov, trapped in Antarctic ice for ports an operating profits decline to four months, has been rescued by SKr 918m (\$109.8m) from SKr 920m

524 feared dead after JAL Boeing crashes near Tokyo

DISASTER COULD BE WORST INVOLVING SINGLE AIRCRAFT

in the passenger cabin had blown more than a typical long-range Boe-out and that he was trying to return ing 747, which carries between 330 major air disaster in the past six to Haneda airport in Tokyo for an and 450. Yesterday's crash was the fourth ny would also send a team of ex-major air disaster in the past six months. In February this year, 148 declined to comment on the cause

A JAPAN Air Lines Boeing 747 jumbo jet, with 524 passengers and crew on board, crashed last night on a domestic flight in mountainous countryside about 60 miles northwest of Tokyo, writes Jurek Martin

There were no immediate reports of whether there were any survi-vors and it was feared that the crash could turn out to be the worst disaster in aviation history involv-ing a single aircraft. A JAL spokesman said 21 foreigners were listed as passengers but gave no details of nationalities.

Reports from rescue aircraft spoke of large fires burning in the vicinity of the crash, but police said that the difficult terrain and torrential rain were hampering rescue work.
The spokesman said that the cap-

tain of flight 123 from Tokyo to Osa-ka radioed at 18.40 local time, 35 minutes after take off, that a rear door equipped with 528 seats, many ing 583 people

rial." Shortly afterwards residents of the sparsely-populated region homes. Of the 524 people on board, said that apparently an aircraft had JAL's passenger lists numbered 497 crashed into a wooded mountain-adults, 12 children, and 15 crew.

company's spoke The aircraft was a 747 SR (short-ange) model specially adapted for The Paris disaster has so far held range) model, specially adapted for use on domestic routes in Japan.

JAL has a fleet of 10 747 SRs, which

emergency landing. The Tokyo-Osaka flight is mos Radar contact was lost at 18.54. used by commuting businessme The Tokyo-Osaka flight is mostly At 19.20 the U.S. Navy base at Yoko-But this week is the peak of the "o-ta reported sighting "burning mate-bon" holiday season, when Japanese return to their perental

A JAL official said that the 747 The pilot of the jumbo jet, Mr Ma-SR had no record of problems with sami Takahama, 49, had logged cabin doors. It was a defective cargo 12,404 hours flying time since join-ing JAL in 1988, according to the which caused the Turkish Airlines crash near Paris in 1974, in which

the unenviable record of the worst JAL has a fleet of 10 747 SRs, which ever involving a single aircraft. But are also in use by ANA, the domesthe loss of life was even greater when two jumbos collided on the Its most noteable feature is pas-runway of Tenerife airport, in the senger load. Flight 123 was Canary Islands, in March 1977, kill-

months. In February this year, 148 people were killed when an Iberia Boeing 727 hit a mountain in fog as it was approaching Bilbao in Spain. On June 23, an Air India Boeing 747

jumbo jet en route from Montreal to London hurtled into the sea off

the coast of Ireland, killing all 329

passengers and crew, At the beginning of this month, 132 people died when a Delta Airlines Lockheed wide-bodied jet crashed on approach to Dallas-Fort Worth airport in the U.S.

In Washington, the National Transportation Safety Board annonneed that two U.S. investigators were due to fly to Tokyo yesterday to help Japanese authorities with their inquiries.

The board's spokesman said that it was likely that the Boeing compa-

of the accident.

crashes since it was introduced in agreed standard liability cover of 1969. "Investigations have shown 575,000 per passenger. However, that in none of the accidents was there could well be individual law the aircraft at fault. The reasons suits by representatives of dependwere such things as pilot error or ants of those passengers killed in weather-related, he said. This is a very safe plane."

Eric Short adds from London: The accident will almost certainly result in the largest ever insurance payout for an aircraft disaster. The insurence liability has two main Boeing 747s have an excellent aspects; insurance of the aircraft it-

kyo Marine and Fire Insurance ters reassessing the ruting. Company, but a significant amount

The Air India aircraft which crashed in June was insured for A Boeing spokesman said 747 air- \$100m. Passenger liability based on craft had been involved in six the Warsaw Convention has an excess of the figure.

> If there is a product defect to the aircraft then the manufacturers could be sued by dependants and the airline

Boeing 747s have an excellent self and liability to the passengers. ance premium rating will reflect the record. It is unlikely that this The direct insurer for JAL is Toone incident will result in underwra

of the risk is reinsured in the Lon- Jumbo's safety at issue, Page 12

President François Mitterrand's

aim of cutting the share of tax and

gross domestic product by 1 point

this year will not be met as the ratio

is forecast to fall by only 0.5 points,

OECD forecasts a return to surplus

in foreign trade in the second half

of 1988, for the first time since 1978.

ness against its European trading

The secretariat says that econom

ic strategy since 1983, based on monetary and fiscal restraint and

Tokyo minister quits as Sanko Steamship heads for collapse

BY JUREK MARTIN AND CARLA RAPOPORT IN TOKYO

MR TOSHIO KOMOTO, one of the most influential members of the Japanese Cabinet, submitted his resignation last night as a result of the financial problems facing col-lapse of Sanko Steamship, the company he had guided for nearly 50

Sanko, the world's biggest tanker operator, is expected to file today for relief under Japan's corporate rehabilitation laws. The company owes an estimated Y520bn (\$2.19bn) in official liabilities and perhaps as much again in other unpaid obliga-tions. Its failure would be of a magnitude unprecedented in Japanese corporate history.

Mr Yasuhiro Nakasone, the Prime Minister, did not immediate-

ly accept Mr Komoto's resignation, saying there was a distinction between political and private sector responsibilities. Mr Komoto, hower, had told his supporters o he was intent on quitting.

Mr Komoto, himself a candidate

State Minister in charge of external economic relations, embracing Japan's market liberalisation pro-A prominent "liberal" in econom-

for the Prime Ministership as re-

cently as 1982, has been serving as

strength of late, his faction is none the less seen as an important "swing" group in the fluid politics that characterise the country's entrenched conservative regime.

The troubles at the shipping comny, which had been technically bankrupt since March have been brought to a head by a recent decision by its main three bankers that they would no longer provide fur-ther support to the company. Sanko had been receiving about Y5bn a month from its bankers which enabled it to keep its ships running.

The group has been heavily in debt and making losses for three years, due in large part to an overoptimistic shipbuilding programme and the continued difficulty of the shipping market worldwide. Consolidated accumulated losses as of bun, Japan's leading economic newspaper, Daiwa is planning to March were Y212bn.

a financial crisis. Daiwa Bank, Japan's 10th largest great deal of stock. city bank, is Sanko's largest credi-

tor with loans of about Y100bn out-standing, Japan's Long-Term Credit change at Y27, down Y15 from Fristanding Japan's Long-Term Credit change at Y27, down Y15 from Fri-Bank (LTCB) is owed about Y80bn day. It traded at Y72 as recently as ir policy, he is also leader of the and Tokai Bank around Y60bn. Oth-last Wednesday. fifth largest faction inside the ruler major creditors include Sumito-Hole in the sai mo Life Insurance, Japan's Export

(LDP). Although declining in Import Bank, Mitsui Trust and Dai Ichi Mutual Life.

Foreign banks, including Cit-Ibank of the U.S. and Commerzbank of West Germany, are owed a

Under the corporate rehabilits tion law, the court will appoint a trustee to examine Sanko's affairs At the end of this examination creditors, company officials and the court officials will decide on the best method for meeting the group's Under the corporate rehabilita-

bad debts can be written off against tax. It is believed that the three main creditors will cover the rest of their losses through equity disponewspaper, Daiwa is planning to

tion laws, up to half of a creditor's

EN 3190 The Bank of Japan and Ministry another Y120bn and Y90bn by Toof Finance insisted yesterday that kai. In order to minimise the confu Sanko's collapse would not prompt sion on the stock exchange, the a financial crisis.

banks are expected to cross-trade a Sanko's shares were suspended

Lex, Page 12

Carbide defends safety system

By Terry Dodsworth in New York

UNION CARBIDE, the U.S. chemi cals company, insisted yesterday that its emergency response system had worked according to plan when a cloud of toxic gas escaped from its Institute, West Virginia plant, on

The company's statement came as it found itself embroiled in another bitter controversy over the quality of its safety systems, which were challenged only eight months ago in the wake of December's gas leak disaster, which killed more than 2,500 in Bhopal, India.

The accident in the West Virginia lant, which makes the same lethal insecticide ingredient as was formerly produced at the Bhopal plant, forced about 200 Institute residents to seek emergency hospital care for eye, throat and lung irritations. Almost 30 of these were detained on Sunday, and although some were released yesterday, more than 20 remained in hospital last night.

Union Carbide moved to try to dispel fears about the accident, saying that the remaining pa-tients in hospital were in satisfacto-ry condition without any sign of around 1.5 points its 4.5 per cent in-tients in hospital were in satisfacto-ry condition without any sign of around 1.5 points its 4.5 per cent in-tients in hospital were in satisfacto-ry condition without any sign of around 1.5 points its 4.5 per cent in-tients in hospital were in satisfacto-ry condition without any sign of around 1.5 points its 4.5 per cent in-tients in hospital were in satisfacto-ry condition without any sign of around 1.5 points its 4.5 per cent in-

volved in the accident, was quite Continued on Page 12 Haunted by the spectre of Bhopal, Page 4

continue its tough policies

Paris urged to

BY DAVID MARSH IN PARIS

FRANCE needs to continue with in 1984, mainly because of a swing tough anti-inflation policies and accept at least another 18 months of cial security account. low growth and rising unemploy-ment. These are the essential conditions for correcting imbalances in social security contributions in the economy and paving the way for an eventual, job-creating recovery, the Organisation for Economic Co-operation and Development (OECD) says in its annual report on the French economy, published to-

The OECD warns against any relaxation of the tight policies fol-lowed since 1983 and says that the over worsening French competitive-French authorities "will have to ness against its European trading continue to pursue a policy of stringency for a good many years to The warning can be interpreted

pledged to bring in tax cuts if the company profits. eral elections next March.

as a shot across the hows not only

Fiscal policy must aim both to reduce deficits and reduce overall taxes, it says, noting that public sec-

tor finance is likely to move more strongly into deficit this year than

an active prices and incomes policy, of the present Socialist Govern-"has undeniably met with success ment but also of economic policy in reducing inflation, restoring exmakers in the opposition, who have ternal equilibrium and boosting But it points out that, in spite of a sharp rise in redundancies and an

pariners.

it savs.

permanent injury."

flation target this year, although
The company also stressed that
aldicarb oxime, the chemical in1986.

flation target this year, although
companies to invest in job-creating
production capacity.

The OECD makes a strong call Continued on Page 12

France urged to improve labour

market flexibility, Page 2; Editorial comment, Page 10

ing Liberal Democratic Party British industry's raw material costs back to July 1984 level

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

THE PRICES paid by British manufacturers for raw materials and fuel were no higher in July than a year earlier. This was the first time for more than seven years that UK industry experienced no inflation in these costs over a 12-month period. Industrial costs fell by 2 per cent from June to July, the fifth consecutive month of decline. The strength

It seems unlikely, however, that

of sterling since the Conservative Government's March budget has put a sharp squeeze on costs.
Figures released yesterday by
Britain's Department of Trade and
Industry also showed that the annual rate of increase of manufactur

ers' selling prices was little changed in July at 5.7 per cent against 5.6 per cent in June.
Officials believe that the figures indicate a marked easing of inflaindicate a marked easing or inflation pressures, and the Treasury lation appears confident that the annual was underlined yesterday by the inflation rate for retail prices will most. He said: The good news on producer prices and the recent fall in year to June 30, on turnover of A\$758m. Page 13

Prices

predicting at the time of the March budget. Official confidence that easier in-

He said: "The good news on producer prices and the recent fall in interest rates, worth £250m to inthe inflation rate will fall quite as dustry in a year, lends encourage-far as 5 per cent by the final quarter ment to the Government's view that

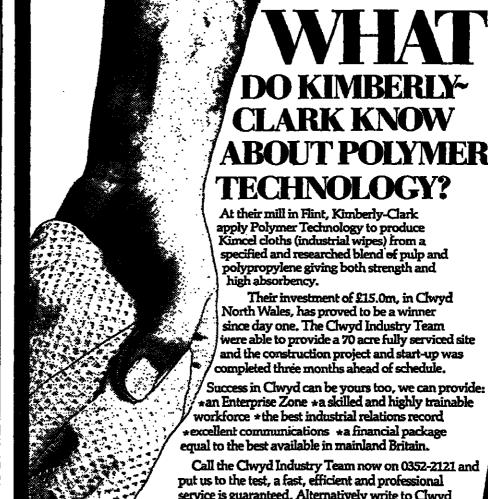
price inflation will begin to head down later this year." Mr Lamont's optimism is broadly shared by London analysis and independent forecasters, who gen-erally believe that UK price infla-tion will reach a peak of a little over 7 per cent in July before declining

quite rapidly.

One reason is that the sharp increase in interst rates in July last year pushed up mortgage (home loan) repayments. This had a direct ct on the retail price index. This process is now moving into reverse. The Building Societies' Association is expected to agree to a further cut in the mortgage rate

when it meets on Thursday. The latest Confederation of British Industry survey of manufactur-ing companies also suggested that the pressure on wholesale prices was set to ease through the summer

While the pound remains strong, UK imports of manufactured goods will remain relatively cheap



TECHNOLOGY?

At their mill in Flint, Kimberly-Clark apply Polymer Technology to produce Kimcel cloths (industrial wipes) from a specified and researched blend of pulp and polypropylene giving both strength and

Their investment of £15.0m, in Clwyd North Wales, has proved to be a winner since day one. The Clwyd Industry Team were able to provide a 70 acre fully serviced site and the construction project and start-up was completed three months ahead of schedule.

*an Enterprise Zone *a skilled and highly trainable workforce * the best industrial relations record +excellent communications +a financial package equal to the best available in mainland Britain. Call the Clwyd Industry Team now on 0352-2121 and put us to the test, a fast, efficient and professional

service is guaranteed. Alternatively write to Clwyd County Council, Industrial Development Division. Clwyd CH7 6NB. A better business decision Shire Hall, Mold,

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Critical IMF report becomes election issue in Sweden

The IMF is concerned about

of flexibility and mobility"
the Swedish labour market.

servicing position, reliance upon further borrowing from abroad

current expenditures, including public sector employment and

wages as well as social subsidies and transfers.

The package of measures pushed through in May to halt a crisis of confidence in the krona was "tilted excessively towards monteary restraint with fiscal adjustment making little contribution," claim the

debt Sch 28.3bn representing 15.1

per cent of government revenues in 1983 to Sch 32.5bn or 16.8 per cent last year. This

year they are expected to come close to Sch 40bn representing

about 19 per cent of govern-

According to Prof Helmuth

months of this year.
The structure of the debt has

been changing, with the share of the foreign debt falling from

no notice of Denmark's worsen

ing current account deficit, which reached first half record figure of DKr 12.7bn (£912m).

Notice of Redemption

12%% Notes Due September 15, 1987

European Investment Bank

Austria's foreign debt rises

Sch 53.8bn (£1.97bn) to Frisch, the debt committee Sch 469.8bn (£1.73bn), up by chairman, the federal debt 12.9 per cent from 1983. The increased by 10 per cent to report by the Ministry's debt Sch 517.8bn in the first six

payments are continuing to rose from 69.8 per cent to 74.7 rise. The former rose to per cent. There has also been a

Sch 66.6bn to represent 15.3 per cent. There has also been a sch 66.6bn to represent 15.3 per move towards greater hank cent of government expenditure borrowing and away from compared with Sch 52.9bn or 13 per cent a year earlier. This is the general lack of enthusiasm expected to rise by more than in the capital market.

11 per cent this year to Sch 74.3bn, representing about the Government was able to

16 per cent of expenditure.

Interest payments are on its foreign debt thanks to expected to follow a similar high liquidity. It also benefited pattern, having risen from gains on exchange rates

FOUR LARGE Danish banks overdrafts, which will now cost

by 1 per cent within the next A notable feature of this few days, and other leading banks are expected to follow.

11-13 per cent.

A notable feature of this summer's fall in interest rates is that the markets have taken

Danish interest rates cut

BY HILARY BARNES IN COPENHAGEN

The lower rates announced by Privatbanken, Copenhagen Handelsbank, will effect mainly consumer credits and normal

again but at slower rate

continued to rise last year but per cent

Finance Ministry figures.

Net debt at the end of last ment revenues.

year had increased by According to Sch 53.6bn (£1.97bn) to Frisch, the

was "imprudent." Fit restraint should centre

SWEDEN'S Covernment yester-day to 0k the highly unusual step of publishing the results of the International Monetary Fund's critical examination of They were also positive about the country's economic perform-

Selective leaks of the report in a Swedish newspaper at the weekend were threatening to become an important issue in the campaign from the general election due in less than five

The report, based on a visit by Fund officials at the beginning of June, was discussed by the IMF executive board meeting in Washington last We des-

The directors are critical of Sweden's failure to do more to cut inflation and to keep labour casts under control, and urged case under control, and arged the Government to take fiscal measures in the autumn to cut the growing deficit in the cur-rent account deficit.

newspaper claimed that the Government had agreed to IMF demands to tighten economic policy after the election. This was firmly denied yesterday, however, by Mr Kjell-Olof Feldt, the Finance Minister, and by IMF officials in Washington.

Relations between Stockholm and the IMF were seriously strained in 1982 by the dramatic 16 per cent devaluation of the krona pushed through by the incoming Social Democratic administration. But Mr Feldt insisted vesterday that relations were

now "very, very friendly." Opposition politicians were quick to seize the report as substantiation of their own

attacks on economic policy. At their meeting last week directors. Another devaluation the IMF directors in fact would "signify a defeat in the praised Sweden's "impressive fight against inflation."

AUSTRIA'S foreign

at a slower rate than before, although debt servicing and

interest payments are increas-

ing uncomfortably according to

committee stresses, however, that this was the lowest increase

since 1974 and considerably less than the Sch 74.6bn or 21.8

Debt servicing and interest

per cent increase in 1983.

Gorbachev's new brooms sweep into key posts

JUST FIVE months after taking power, Mr Mikhail Gorbachev the Soviet leader, has managed to assemble a formidable team of associates in key industries and Communist party depart-

Sweden's "remerkably low rate of open unemployment" ments. Dozens of regional party In line with the OECD report chiefs have been replaced, several by Moscow-based published earlier this year, however, the IMF directors are several by Moscow specialists, and ten scathing about Sweden's ap-parent inability to bring price ministers appointed since March 11 when Mr Gorbachev sucand cost increases down to the ceeded the late Mr Konstantin levels of competing countries and are critical of the bloated

Chernenko as party leader.

Broadly speaking, the new appointees were chosen on merit but there can be little doubt, according to Western diplomate here the "the recent slippages in the adjustment effort," and believes that "financial policies diplomats here, that at least some of them have links with the inner circle of Mr Gorbachev, Mr Yegor Ligachev, his tumber two, and economic supremo Mr Nikolai Ryzhkov.

Mr Ligachev and Mr Ryzhkov themselves herefied must play a crucial policies setting the stage for wage restraint." It is concerned about "various rigidities and the lack elves benefited from close Fiscal policy has to be tightened, the directors main-tain, both to reduce inflation ties with the Kremlin chief in April when they vaulted into the ruling politburo as full (still running at around 8 per cent) and to cut the current account deficit SKr 12,5bu (£1.09bn) in the first five members, bypassing the usual candidate stage of membership. The latest ministerial change came earlier this mouth when months of the year.
Fiscal consolidation had
"apparently come to a halt,"
say the directors. Given
Sweden's external debt and debt Mr Yevgeny Varnachev was named to head the grand-sound-ing Ministry of Construction, Road and Municipal Machine-

Building—it is responsible for such things as dumper trucks and road sweepers.

Mr Varnachev, at 53 a year mr variaties, at 55 a year younger than Mr Gorbachev, headed the key Uralmash heavy industrial plant and armaments factory in Sverdlovsk in central

Mr Ryzhkov (55), held the same post at an earlier stage before he was promoted to work with the state planning authori-

ties in Moscow.

One of the two new central committee secretaries selected last month, Mr Boris Yeltsin, also hails from Sverdlovsk where he held party and engineering posts.

The other secretary. Mr Lev Zaikov, is said by diplomats to have impressed Mr Gorbachev with his achievements as party chief in Leningrad, the second Soviet city and a huge industrial

An earlier beneficiary of the Soviet leader's drive to revitalise the economy with younger and better qualified personnel was Mr Viktor Nikonov, who is now the party probables for account the party of the watchdog for agriculture, a job Mr Gorbachev himself once

heid. Mr Ligachev (64), who is considered number two in the Kremlin as well as a personnel chief, has been present at several of the regional party meetings across the country where local bosses have lost their jobs. A number of the new incumbents are inspectors from 30.2 per cent in 1983 to 25.3 per the central committee in cent, while the domestic share Moscow — specially trained Moscow cadres with a trouble-shooting role. At least some are likely

to have been selected by Mr Ligachev. Mr. Gorbachev has moved men of his own age and level of qualification into the ministries responsible for: ferrous metals,

responsible for, ferrous metals, the electrical equipment industry, transport construction, light industry, industrial construction, power and electrification and higher education.

Naturally, Mr Eduard Shevardnadze's appointment in July as Foreign Minister also fit into the exercil nicture of a fits into the overall picture of a younger leadership team. His older predecessor, Mr Andrei Gromyko, is now President Most of the other outgoing ministers were retired.

were retired.

Apart from Mr Shevardnadze, the new men are largely in charge of ministries which have previously come in for considerable criticism, some personally from Mr Gorbachev.

OECD urges France to ease labour laws

improve the flexibility of the labour market in order to increase the chance of reducing unemployment, according to the Organisation for Economic Co-operation and Development. The OECD's latest report on the French economy calls forfresh action to dilute the importance of centralised wage bargaining. It also suggests

modifications to France's minimum wage system to combat the problem of relatively high wages for young people pushing up youth unemployment. While welcoming government

moves to bring in pay " norms " which have effectively broken wage indexation, the OECD believes efforts to bring down real wage costs have not gone far enough. Its recom

criticism of structural rigidities in the French labour market which have also come under increasing attack over the past year or so from the Patronat employers' federation.

The Organisation also takes issue with laws which can make employers reluctant to hire fresh staff because of difficulties in making redundancies if necessary later. The obligation of Franch obligation of French com-panies to obtain official per-mission for all redundancies, whether collective or individual, "virtually unique in Europe,"

the OECD says.

Overall labour market rigidi-

vis the U.S. and Japan," the

Concerning the laws governing employees' conditions, the report says that although "each element taken separately does not in itself appear decisive, the existence of an extremely complex body of legislation undoubtedly consti-tutes a major psychological constraint and may discourage some employers from taking on

The OECD blames the virtually full index-linking of infla-tion until 1982 as an important factor—along with increases in social security contributions ties place France in a position social security contributions—

The organisation admits that probably not very different in adding to unemployment by studies of the minimum wage from that of many other reducing company profitability. (SMIC), which is increased regu-

has helped change this trend. "But, despite the slowdown in gains leading to rapid cuts in employment in the last two years, the OECD suggests that real wages are still too high to encourage job-producing

It hopes the trend will contimue for wages to be negotiated at a local level rather than through central bargaining. "The requirement since 1982 that wages be negotiated each year within companies could gradually change behaviour," it

tions, though diplomatically European countries, but at a "The pursuit of a policy of larly by more than the inflation worded, add up to a detailed considerable disadvantage vis-a- wage restraint since mid-1982 rate in order to boost low criticism of structures of structures and detailed considerable disadvantage vis-a- wage restraint since mid-1982 rate in order to boost low criticism of structures. incomes, have produced no evidence that it has had a real wages and big productivity significant effect on wage inflation or unemployment.

Nonetheless, because of a youth unemployment level of 26 per cent last year, against an average 15 per cent in the seven industrialised countries. main industrialised countries, the OECD suggests some modifications to bring the level of young people's pay below the SMIC.

It puts forward the possibility.

"of adjusting the minimum. wage according to age, so allowing pay to be better adapted to relative productivity." This, it says, could represent "an effective incentive to hiring new labour entrants."

Praise for **Bonn from** Moscow

MOSCOW - The Soviet Union mixed praise with criticism in messages to Bonn marking the 15th anniversary yesterday of the Moscow treaty which laid the ha-sis for West Germany's relations

with Eastern Europe. Telegrams from the Soviet leadership to Chancellor Helmut Kohl of West Germany and President Richard von Welzsäcke said Moscow invoured improved ties but made clear that the Kremlin would contin pose any moves towards German

Soviet press commentators al-so attacked Herr Kohl's Govern-ment for its espousal of Washington's policy on missiles in En-rope and plans for a space-based anti-missile defence system and for rejection of Soviet proposals for a mutual nuclear test ban. This year's 40th anniversary of the end of the Second World War

ed strains in relations besaid yesterday that present West German policies showed traces of the "activity of those who did not learn the lessons of the war." The newspaper Selskaya Zhirn (Rural Life) said relations had deteriorated since Herr Kohl's

Christian Democrats had come to power and accused him of "borrowing the American approach" in dealings with Eastern Mr Mikhail Gorbachev, the new Soviet leader has shown new Soviet leader has shown signs of a greater emphasis on Europe in his fereign policy. One senior Soviet political commentator said at the weekend that

Moscow wanted Western Europe to urge Washington to adopt a more moderate approach. A personal telegram from Mr Gorbachev to Herr Willy Brandt. the West German Social Democratic Party leader - who was Chancellor at the time of the 1970 treaty - praised his "personal contribution" to the accord and said Moscow was prepared to take practical steps to improve trust and co-operation. Reuter

Arson bid fails Would-be arsonists in West Germany loaded fuel-soaked blankets and pillows into two railway carriages used by the U.S. army, but a faulty igniting device prevented any fire, police told Reuter in Frankfurt.

The arson attempt came four days after a car bomb exploded at the U.S. air force's Rhein-Main hase near Frankfurt, killing two Americans and injuring 20 other

Rupert Cornwell on an unusual employment project

Kassel enlists British aid in search for jobs

WITHOUT doubt, West Gerwith the East cut, and isolated the axing of 2,500 jobs. Wiggins many has more immediately from the industrial centres of arresting places than Lilienthal-the West Germany in the Ruhr rented space, the chance of larger profits if the scheme lined avenue cutting through the old industrial district of the city, on the eastern bank of the river Fulda.

Kassel may belong to Hesse, but its jobless rate of 16 per cent is one of the highest of

It is, however, the setting for any large West German town. one of the country's most closely Understandably, the demise of watched, and certainly most ENKA was virtually the last romantic, schemes to create new straw.

employment.

An angry industrial dispute raged at the Lilienthalstrasse ENKA synthetic fibre works through 1962, after the decision of its Dutch parent, the AKZO chemical group, to shut down the plant and make 2,500 people redundant.

Protest marches, sit-ins, even a hunger strike, were to no avail. By mid-1984, the closure was complete, and 800 remaining workers were on the street. But even before the last shift at ENKA has ended, an embryonic project workers were workers. onic project, uniquely for West Germany without the support of public funds, was under way to make good a little of the

A year later, Unternehmen spark Kassel (industrial estate) as the site has been renamed, is a small laboratory of a pos-sible future. In some of the old ENKA buildings, 45 tiny concerns have set up shop, em-ploying 200 people, up to half of whom would otherwise have been unemployed. There is a greater irony still. The midwife to the venture

is not German, but the privately-run consultantcy firm of Job Creation from Britain—hardly a country celebrated for its However, Job Creation was peculiarly qualified for the task in Kassel Describing itself as "a business to create busi-nesses," it grew from the efforts of British Steel to provide compensatory work in towns devas-tated by plant closures in recent years. It has since expanded abroad, to the U.S., the Nether-lands and shortly Spain, in a joint venture with ITT.

West Germany's labour man-

West Germany's labour mar-ket, in the words of Mr Kelth Freestone, the 45-year-old direcreestone, the 43-year old direc-tor of the Lilienthalstrasse pro-ject, "is where Britain's was five years ago." Kassel may not quite be Consett or Rotherham. but the remark is true of it entrepreneur can then rent nonetheless.

nonetheless.

The city is best known as home of the brothers Grimm and once stood at the heart of a single Germany.

Dismemberment of the Third Reich left it stranded, its natural lines of communication of the Third billity better discharged, after

GERMANY

successful scheme in The Hague. The call came in June, 1983, when ENKA found it impossible to sell the Lilienthalstrasse site. The British firm sent a team to Kassel to assess the prospects for a similar initiative, and reckoned that something could he done. It persuaded ENKA to sell a third of the site for a "We do not care if they are symbolic sum to Wiggins, a high-tech, low-tech, or no-tech: British investment group, and al lthat matters is that selfenlisted the help of the city

authorities.

"At first we were sceptical," says Herr Werner Vauth, head of the economic promotion division of Kassel municipality.

"But now it is well known here, and has become quite attractive to young people with ideas, who want to set up in business."

The crucial commodity, Mr Freestone emphasises, is a genuinely marketable idea. Job Creation will evaluate an applicant's proposed and comming cant's proposal and, assuming it has promise, will provide free a managerial, financial or secretarial help. The fledging

gets an immediate return from rented space, the chance of larger profits if the scheme takes off, and the intrinsic value of the premises and site is upvalued. The signs are that everybody's gamble will come

The new businesses have taken root in Lilienthalthe craft and service industries which represent perhaps the best chance of recouping jobs lost in West Germany—and elsewhere—as older industries

They include a computer software concern, a carpentry workshop, a speciality printing business, a design company, a wooden toy manufacturer and a video rental studio. Today they number 45: but the hope is that the scheme could generate 500 jobs, and spill over to the other two-thirds of the ENKA site, now buildozed to rubble and awaiting redevelopment.

One hundred, 200, or even 500 new jobs obviously will not resolve Kassel's unemployment problem, but a "knock-on" effect is already discernible.

team spirit," says Herr Vauth formia and is unlikely to become one, whatever the spoken dreams of some that a fature Apple, or Nixdorf will blossom from the industrial seedbed in Lillenthalstrasse.

"Not many of the business here wil lmake millionaires of people," admits Mr Freestone.
"We do not care if they are supporting jobs are created." What also matters is the grow-ing prospect that the scheme will take root elsewhere in will take root elsewhere in West Germany.

One pointer is that Siemens is considering a similar initiative on an unused part of one of its company estates—albeit at Zistersdorf, near Vienna. Another is that the Kassel venture has now acquired two apprentice schools, offering places for 70 people. Increasingly West German ingly, West German companies will surely look to such ideas, when old factories face inevit-able closure, and the difficulties of local labour markets loom

Bread and petrol go up in Greece

By Andriana lerodisconou in

GREECE'S Socialist Covernment has announced price in-creases of 5-30 per cent on petrol, diesel and fuel oil, car insurance, bread and sugar. A further spate of rises is expec-ted over the next few weeks for meat, school fees, public transport and government ser-vices such as electricity, water and telephone.

The Socialists are auxious to curb Greece's high current account deficit, which reached \$2.18bm (£1.6bm) last year. The bill for oil imports alone reached \$2.2bn. The government also wants to put a brake on the runaway deficits of pub-lic sector organisations which grew by 39 per cent in 1984. It is not, however, considered

Both left and right-wing Greek newspapers have criticised hewspapers have critically considered the Government for choosing to spread the price increases during the August holiday period when public reaction is at its most sluggish.

Mr Lefteris Veryvakis, the Energy Minister, said the petrol. oil and gas increases were necessary to ease the energy bill.

Wine black list

The West German Health Ministry yesterday more than doubled to 830 the number of wines found contaminated with the auti-freeze chemical diefaylene glycol, Nearly all of them are Austrian, Reuter reports from Bonn. It is issuing a black list of 803 doctored Austrian and 27 West German wines. The list can be requested by dealers and

Europe's last Beetle

Volkswagen's "Beetle," the biggest-selling car of all time, arrived in West Germany yesterday, Reuter reports from Emden The conreports from Emden. The consignment of 3,000 cars was made at the company's plant in Mexico. VW still produces about 120,000 Beetles a year in Mexico, Brazil and Nigeria. More than 20.6m Beetles have been built and 8m are thought still on the road. still on the road.

Dutch defence call The Dutch State Secretary for The Dutch State Secretary for Defence, Mr Jan van Houwelingen, has added his voice to the call for higher defence spending urging a 3 per cent increase in 1987 instead of the planned 2 per cent, writes Laura Raun in Amsterdam, He was echoing Mr Job de Ruiter, the Defence Minister, who wants more money to replace some nuclear weapons with even larger.

"Five years ago, I would guess that only three out of 100 top companies would have supported this kind of programme," says Mr Freestone.

"But now only three out of 100 wants more money to replace some nuclear weapons with mew technology" armaments.

Alan Friedman reports from a city divided by its traffic problem

Milan at odds over car clampdown

ing the historic centre to traf-fic, a policy which received the approval of 70 per cent of the voters in a recent local referendum. The new clamp-down on cars parked within the city centre—which includes the areas surrounding the Duomo (cathedral), the Piazza Scala (site of the opera house). the 15th century Castello Forzesco and the elegant shopping district of Via Monte napoleone-has caused nothing short of a revolution.

This city of 1.7m has been divided, between smog-hating (and well heeled) residents of the Centro Storico and those Milanese who are not among the 107,000 people who actually live in the centre and must com mute instead to work at the many banks, companies, stockbrokers, shops and restaurants. The initial phase of the city

ture 1

the cars exempted from the ban might have somebow provided local officials with "sweemers"

One fashion journalist complained she could no longer park her car outside her flat in a narrow and winding alley in the centre of town. "At seven park her car outside her flat in a mid-street.

2 narrow and winding alley in the centre of town. "At seven thought they had seen the back in the morning they'll tow it of hard work when the EEC

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London -

Daily flight

MILAN was the site recently of a minor urban crisis which had nothing to do with exchange rate mysteries, corporate intrigue or the latest war of words between the city's sharptongued fashion set.

The cause for pause was an imprecedented series of rows between irate motorists and police, who have been handing out hundreds of traffic violations and towing away hundreds of cars before Milaness drivers have even woken up to their capuccino.

The reason? The beginning of a new city programme for clossing the more comes and town, that a number of the reason? The beginning of a new city programme for clossing the monestential traffic during the morning hours of 7 am to 10 am eventual impact on our social patients of behavior." What he really was saying is that no outcraffect was saying is

for pedestrians will be good for business and those who defend the right of every Milanese to screech to a halt in front of a shop and dash out leaving the

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drawate that often slipped into that often slipped into dislocute that of the Sloane the been the language

Fiscal Agent and American Paying Agent

Dated: August 13, 1985

FOR ALL its beer and bawdiness, Kalgoorlie, the epicentre of the current Australian goldrush, was in a straitlaced model.

whom had arrived by private used the occasion to announce dinner-dance. "Why should federal Government approval they put a tax on gold? Go to mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the Perth Canberra and they've got a mobbed by miners' wives, one for development by the perth canberra and they were rush, was in a straitlaced mood.
There was little roistering or fisticuffs—iust a dinner-dance hosted by Pancontinental Mining in nearby Boulder town hall, to mark the official opening of Ametralia's newest and sixth—

of whom regularly descended on me with the speculative cry:

"Helio darls, how's the little reporter?"

In recent weeks, Australian gold shares have yo-yoed in response to developments in developments in 200,000 and 500,000 coins." That

The town hall is normally used for balls and football celebrations and was decked out for the dance last weekend in lor the cance last weekend in blue and white streamers, fairy lights and Christmas balloons. There was a mighty river of drink, plus a pimpled rock band that must have been pickled in the laratorne. the late-1950s. he late-1950s.

For out-of-towners, most of Western Australia, who also

tied and

Tel gor Greece

1.0

South Africa, as well as to fears would provide an important that the Canberra Government new outlet for Australia's gold and generate more jobs.

As for the tax, it could have a shiver of rage through the Western goldfields, which account for more than 80 per a shiver of rage through the western goldfields, which account for more than 80 per cent of Australian production. At the opening of Paddington the fax were springing back to life. Last week the Australian Gold Index achieved a received a received as the second of the I, fears about the tax were smoothly dampened by Mr

achieved a record high.
"Canberra is full

third-generation bureaucrats."
claimed a mine manager at the

hospital or a mental institution on every other corner for those

neurotic civil servants. Why should they get mure and more when the people in the bush have nothing?" Australia's Northern Territory The same informant was equally contemptuous of gyrations on the stock market:

"Ninety-nine per cent of all Australian mining companies don't own a pick and shovel," he declared. "I always say, 'If one man makes a dollar on the stock market, somebody has to lose one-plus corrections for lose one plus something for the broker, It's the stock marthe broker. It's the stock mar-ket that gives mining a bad in gold from Paddington over

four years at an effective remarks obviously borrowing cost of approxi-

excluded his own employer Pancontinental, which is also involved in oil, gas and coal (including a gas field in Alberta, Canada). It's high-grade Jabiluka uranium deposit in

is at present blocked, however, by what it calls "an absurd federal Government policy which artificially limits uranium mining." Paddington I is north of Black Flag Lake, 34 kilometres out of Kalgoorlie, and cost
out of Kalgoorlie, and cost
A\$34m (£17.7m) to develop,
financed largely by a newish
loan technique. Pancontinental
borrowed bullion from Westpac

mately 3 per cent per annum.

PERTIE

Westera

Australia

Paddington 1

ting equipment and carbon proan average grade of 3.2 grams of gold per tonne, the estimated 8.4m tonnes of paydirt at Pad-dington I and II (so far underdeveloped) should yield good

Production at Paddington I is an estimated 92,000 oz annually, against a stated total which is expected to reach 2m oz annually in the next two years, Paddington's technology is as some from new deposits, some metall modish as its financing. Earlier from old. All of them are that."

ore which yielded about 60,000 ounces over several years.

Today, open-cut mines like Paddington use massive excava
Mount Percy, Blue Bird, Golden Crown and Westonia, Kalgoorlie, cessing plants, so that even at with its pubs, gambling and night-time pleasures, is booming once more.

The rules are straightforward. " I and the wafe have an understanding," said my managerial informant. "If that son of mine ever publishes a line of peetry or paints a picture, he will get a bruised lip. He is going to be a scientist and a footic (foctball) player. A geologist or a metallurgist; something like

efforts at the site, in the late rendered increasingly attractive Just then, a shadow loomed 1890s, involved a 700 ft shaft by the relative firmness of the across the table. "Hello darls, and a labyrinth of tunnels into bullion price and the recent How's the little reporter?"

Seoul's persistent economic optimism takes a hefty knock

THE PERSISTENT optimism of THE PERSISTENT optimism of Mr Shin Byong-Hyun, South Korea's Deputy Prime Minister for economic planning, was cracked wide open when he amounced recently that Korea was setting its sights on 6 per cent economic growth for the year, well below the nation's original 7.5 per cent target. original 7.5 per cent target.

Mr Shin also introduced a package of measures to stimulate the economy, includ-ing improved terms to finance exports, and financing and tax breaks for investment in export industries.

His announcement came after months of disappointing export results. On a customs clearance basis, exports fell 4 per cent during the first six months; economic planners had been counting on a 13 per cent growth in exports for the year. Economic growth in the first quarter was 4.1 per cent, after expanding at 7.6 per cent last year. Mr Shin said he expected growth in the first half of 1985

to fall below 5 per cent.

The current account deficit already passed \$963m (£713.3m) in the first 6 months of the year, compared with an annual target of between \$500m-\$700m. Capital spending is growing at

Capital spending is growing.

5 per cent annually.

Many countries would be welcomed the Government's delighted with a 6 per cent packageo f economic stimulants annual growth rate, but South Korea it is a disappointment.

Anarage annual growth since

The Government, although with the slower-than-Average annual growth since 1960 has been 8.7 per cent. Average annual growth since The Government, although 1960 has been 8.7 per cent. Furthermore, the population is expected growth, is less alarmed very young: economists estimate than the private Sector. "If that the economy needs to grow we want a high growth rate, we at about 7 per cent to absorb the continuous stream of new entrants into the job market.

Korea Development Institute, a Covernment, although 1960 with the slower-than-than the private Sector. "If we want a high growth rate, we can get it," says Dr Suh Sang mok, vice-president of the entrants into the job market. trants into the job market.
Already, South Korea's manu-

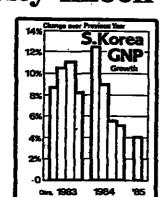
facturers have begun to lay off tank.

Businessmen say that while the Government has successfully controlled inflation, excessively tight control over the money supply has chocked off capital investment needed to update facilities. The result is reduced to money facilities. The result is reduced to the demand for imported good the demand for i competitiveness of Korean

We have already lost our vitality," says Dr Koo Suk-mo, directiro f economic research at the Federation of Korean

Industries.

Dr Koo says that it is already too late for cosmetic measures priming to demedy the problem: what is needed is a serious reform of tax laws to encourage



Far East economies are suffering from the U.S. downturn. In the first of three articles, Steven B. Butler reports on the problems facing South

facilities for fear that foreign competition will put them out of business.

But an increase in Governworkers, even in high growth sectors as electronics.

There is little doubt about the main cause of the slowdown:

The solution are increase in Government spending or letting the reins go on the money supply could spark more inflation that would under the slowdown: would undo many years of Government restraint. "Price sluggish growth in Korea's main would undo many years of export markets the U.S. and Japan. Koreans also say they have been hurt badly by rising protectionism.

When the main cause of the stown in would undo many years of Government restraint. "Price stability is finally beginning to have an impact on the economy in the form of more savings," says Dr Suh.

South Korea's rate of national savings has risen steadily to cent in 1980. The low rate of savings compared with investment has been a major reason

for high foreign borrowing.

Government stimulation of the economy would also increase the demand for imported goods. pushing up the current account deficit even further and forcing deficit even further and forcing Korea to borrow more abroad. With foreign debt already more than \$44bn, few believe the international banking community would react favourably. Government economists expect some improvements in the second half of the year. The more high growth rates of early

priming to demedy the problem:
what is needed is a serious
reform of tax laws to encourage
investment and a major effort
to reduce interest rates. The
Government has steadily increased bank interest rate to
improve hank profits and
encourage savings, forcing businesses to pay as much as 13.5
per cento n some bank loans,
while the underlying inflation
rate is under 3 per cent.

Dr Koo also says the
Government's programme of
gradual import liberalisation
has frightened many businessmen away from investing in new

Australia draws up

THE AUSTRALIAN GOVERNment decided commercial and trade sanctions against South Africa, but will neither specify nor invoke them until after President Botha's expected statement in Natal

on Thursday. Mr Bill Hayden, Australia's Mr Bill Hayden, Australia's Foreign Minister, said the measures would not be announced until Canberra had studied Mr Botha's speech which is expected to contain reforms of the apartheid system. The decision to delay implementation of the sanctions followed recommendations by the U.S. and UK. Mr Robert Birch, Australia's Ambassador to South Africa, is due to return to Africa, is due to return to Pretoria from Canberra next

Mr Hayden said recently Mr Hayden said recently that Australia planned to strengthen its stand against South Africa's apartheid policies. However, the Government stands to be seriously embarrassed by plans for a rebel Australian cricket tour of South Africa by some leading players later this year.

"We will evaluate whether or not President Botha's proposals offer a realistic basis

posals offer a realistic basis for a peaceful settlement of the situation in South Africa and are likely to be accepted by the accepted by the majority of the popula-tion," said Mr Hayden.

of South Africa yesterday despite pressure from anti-apartheid groups to call off the trip, Reuter adds from nesburg.

movements. But all along we decided the tour would go ahead," Mr Arthur Rees, on political aspects of the tour. There have been increasing international calls for an end to all sporting ties with the republic and a planned tour by the New Zealand rugby All Blacks was scrapped recently after legal action.

sanctions

By Michael Thomson-Noel in Sydney

A Welsh rugby union team arrived for a three-week tour

many anti-South African

Soft spoken lawyer wins power for black workers THE BLACK National Union of Mineworkers (NUM), which claims to represent almost one-Paddi Clay profiles

third of gold mining employees in South Africa, has dramatically shifted the power balance between employers and labour since its establishment in 1982. Many employers conclude that one man, general secretary

Cyril Ramaphosa, is responsible for this. Mr Ramaphosa, a soft for this. Mr Ramaphosa, a soft spoken lawyer, is fighting a difficult battle in drawing the distinction between the NUM and what he derisively describes as "this personality called Ramaphosa."

As general secretary since its inception of the fastest growing and most important black union in South Africa Mr Ramaphosa.

in South Africa, Mr Ramaphosa has been the focus of attention as the man who conveys the feelings and needs of black miners. And as the August 25 deadline for what the NUM believes will be a strike of 240,000 miners, draws near, Mr Ramaphosa has no chance of escaping the spotlight.

However, he is a careful man, Conscious that managements

and the public foster the notion worker and strike leader, who that the NUM is being led from has risen to a white-collar role the front by union officials. Mr Ramaphosa pedantically parries tem Deep Levels Mine. Like

Cyril Ramaphosa, general secretary of the National Union of Mineworkers

questions as to "his" actions with diligent references to "the union" and "our members." He is a controlled speaker, skilled at speaking off the cuff and answering thorny questions without giving away more than is necessary. He is also extremely adept at implying just what he wishes to imply and what he wishes to imply and no more, revealing just enough to be sincere without revealing the union's tactical hand.

Despite Mr Ramaphosa's high profile in the media, with managements and the general pub-lic, the union president, Mr James Motlatsi, remains the im-portant figure for NUM memers, with Mr Ramaphosa as the work-horse" administrator. Mr Motlatsi is a former mine-

40 per cent of the NUM mem-bership he is a foreign immigrant worker and, like the majority of miners, lives separated from his wife and children in a mine compound for single men. As president responsible for

keeping the union members within the bounds of the constitution, he is reputed to be a strong controller, capable of managing mass multi-lingual meetings of members. Yet it is Mr Ramaphosa who is thrust out front and the better known. This may be partly due to the fact that Mr Ramaphosa is a past master at handling the media, but in part may be ascribed to the fact that outside the mining communities the mineworker is a little-

known, seldom-seen person. Housed as they are in closed communities cut off from the mainstream of society and re-turning at the end of employment contracts to homes in remote rural areas or neigh-bouring countries, the black mineworkers have remained unknowns.

The formation of a longawaited black mineworkers' union in 1982 gave the workers

an opportunity to define their procedures laid down by the contribution and become an law and, when strategically active force in the mining industry.

Mr Ramaphosa, aged 33, has never been a miner. He is a lawyer and an urbane and charming man with a precise and even-toned manner of speech. He studied at Turfloop, the black University of the North, during the growth years of black consciousness.

In 1974, when he was a mem-Students Organisation (Saso). year in one of the many roundups of blacks who expressed even the most remote opposition to government. His later extra-mural studies through the Uni-versity of South Africa (Unisa) were interrupted in 1976 by another period of detention, this

Strangely, although detention may have had a politicising effect on the private views of Mr Ramaphosa, he has chosen a career working strictly within the system, and although he has forsaken a law career for trade mionism he has brought all his legal training to bear.

of mineworkers on strike action was not legally necessary but probably served a number of strategic purposes.

Mr Ramaphosa says the NUM air Ramaprosa says the NCM wishes to adhere to the concept of worker control, whereby all decisions are taken by workers and "not some personality." The workers, he says, must give instructions to the officials.

However, the union is often hampered in this, he says, because the industry refuses to grant the union and shaft stewards the facilities to get the workers' mandate. In some cases shaft stewards have had to canvass mineworkers for their opinion individually "and this

is not good."
Mr Ramaphosa's attitude towards unionism is perhaps best summed up by his views on closed shops. "Closed shop union officials become fat cats, earning good salarles and never doing anything for their measbers. We choose to remain the nionism he has brought all his way we are, in that if we egal training to bear.

The union follows all the bers they will resign."

Sri Lanka peace talks resume

COLOMBO - Police went on alert to last month failed to make any the northern town of Vavuniya on head off possible guerrilla attacks progress. in Sri Lanka as peace talks re-sumed yesterday in an effort to ease the communal violence.

Officials said police had received reports that guerrillas were planning to attack the Sri Lankau capital and its outskirts to sabotage the talks being held in the Himalayan bomb was found in a train arriving kingdom of Bhutan. A senior Bhutanese official said

the second round of talks between Government, five major militant groups and Tamil leaders started this morning in Thimphu, the Bhutanese capital.

The talks are aimed at resolving

conflicts between minority Tamils and majority Sinhalese which have resulted in more than 2,000 deaths gone off.

Security forces throughout the

in Colombo from the northern city of Jaffna, the stronghold of guerril mils and Moslems.

They said the bomb was set to explode at Colombo railway station during the rush-hour two hours before the Thimphu talks were due to start. It would have caused heavy

casualties and damage if it had

in the past 10 years. Fourteen people, including five The first round of talks in Blutan policemen, were killed in clashes in

Eleven Tamils in two refugee

country were alerted two days ago camps in northeast Trincomalee to head off any guerrilla attacks, district were killed by unidentified but 31 people died in ethnic clashes gunmen on Saturday. The shootings were possibly a reprisal for the killing of three Sin-Security sources said a time- halese women and a child two days bomb was found in a train arriving ago in the same district which has a mixed population of Sinhalese, Ta-

> Tamils, who form 12.6 per cent of the population, are demanding a separate state in northern and eastern provinces where most of them

has proposed resolving the conflict by shifting power to provincial units to allow Tamils more local autonomy in areas where they are in

Poisoned sweets group ends extortion campaign OSAKA - A group calling itself the "Man with 21 faces" which poisoned five other food and sweets manufac-

esterday that it was calling off a changed hands. 17-month extortion campaign The extortion campaign started against food and sweets manufac in March last year when a group of birers in Japan

was delivered to the offices of four harmed after three days in captivi newspapers in Osaka, was the first ty received from the group since April The extortionist group, which 4, when it sent a taunting letter to took its name from a popular Japa-

On February 27, in a letter left inside a police box in Osaka, the sodium cyanide, a deadly poison, or group said it had become "fed up" shelves in stores early this year. with a campaign to extort money from Morinaga and Co., a major but so far no arrest has been made, sweets manufacturer.

five other food and sweets manufacsweets in Japanese shops declared turers. Police say no money The extortion campaign started

three masked men kidnapped Mr "We are going to stop bullying Katsuhisa Ezaki, president of Ezaki food companies," the group said in a Glico, and asked for Ylbn (\$4.2m) statement addressed to the Japanese parliament. The letter, which ransom. Mr Ezaki escaped united the companies of the companies of the companies of the companies of the companies.

nese television series in the 1950s. sodium cyanide, a deadly poison, on A massive police hunt followed

Suspicions grow of French role in sinking of Greenpeace ship

SUSPICIONS are growing in intelligence agency as a means unnamed African country last France of involvement of the of discrediting France's image week.

French secret service in the in the region.

Mr McTaggart said the men, murky events surrounding the

OPPOSITION members of the Marcos's New Society Move-Philippine Parliament will file ment (KBL), which has 115 of a resolution today—calling for the 183 elected seats plus a the impeachment of President dozen appointed members. But

the impeachment of President Ferdinand Marcos, a leader of the group said yesterday, morrying for Mr Marcos and the resolution and its accompanying "complaint" allege culpable violations of the constitution, high crimes and graft and corruption. He said it would be introduced into the National Assembly for consideration by the Committee on Justice, Human Rights and Good Government.

dozen appointed members. But appears to be sufficiently the appears to be sufficiently the purpose of the purpose of the president resign and having the President resign and Former Congressman Raul Daza arrived home to a warm welcome in Manila yesterday and said he was ready to join the struggle to restore democracy in the Philippines. Several hundred supporters, including opposition National Assembly members met Mr Daza, 50, who

Government. members met Mr Daza, 50, who The resolution is given little faces charges of subversion in

chance of surviving in an connection with a series of assembly dominated by Mr bombings in Manila in 1979.

in the region.

Mystery, however, continues to surround whether the couple were connected directly

who allegedly broug explosives and other equipme

French secret service in the murky events surrounding the sinking in Auckland harbour last month of the Greenpeace vessel Rainbow Warrior.

A series of French newspapers including Le Monde have established a link between French intelligence and the two people, Alain and Sophie Turenge, arrested by New Zealand police in connection with the bomb attack which killed a photographer/crew member on the ship.

France's state-owned radio said the couple, who were arrested carrying false Swiss passports, were under orders to carry out surveillance of the Rainbow Warrior, which was on a tour of the South Pacific to protest against France's atomic tests at Mururoa in Ap adds frem Paris: Mr and the wind harbour to protest against France's atomic tests at Mururoa in Ap adds frem Paris: Mr and the wind allegedly brought explosives and other equipment from the French territory of new Caledonia to New Zealand before the sinking of the ship, flew from Paris to Africa on Wednesday.

Sandy Southon-Perry reports from Wellington: Security on New Zealand's coastline is to be strengthened following the explosives and other equipment from the French territory of new Caledonia to New Zealand before the sinking of the ship, less mouth on board a chartered boat, the Ouvea.

The Ouvea, which moored from Wellington: Security on New Zealand's coastline is to be strengthened following the to have sailed from New Caledonia.

In Paris, Mr David McTaggart, the David Lange, the New Zealand Prime Minister said yesterday.

Mr Lange said the men, with couple were connected directly with the raid on the ship.

Sandy Southon-Perry reports from Wellington: Security on New Zealand's coastline is to be strengthened following the to have sailed from New Caledonia.

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Mr Lange said the men, with on the f atomic tests at Mururoa in

AP adds fram Paris: Mr

The radio reported that the couple's cover had been blown" to the New Zealand police by Britain's MI6 counter - Rainbow Warrior flew to an gent or any other incident, that a foreign government has been behind it, then it becomes a matter for government-to-government action and principles of international law are invoked," he said.

Philippine opposition calls Israelis to set free for Marcos impeachment

100 Lebanese By Our Tel Aviv Correspondent ISRAEL WILL today return to Lehanon a further 100 er 50 Lebanese from Atlit prison

near Haifa, leaving some 240

still in detention. The mostly Shi-ite detainee were previously incarcerated at Ansar camp in southern Lebanon, but 1,206 were brought into Israel when the Israelis withdrew south and

abandoned the area.

The release of all the Lebanese held by Israel was demanded by the hijackers of the TWA jet at Beirut airport in June, but Israel has insisted that it will release

NOTICE OF REDEMPTION

THE STANDARD OIL COMPANY (OHIO) INTERNATIONAL N.V.

(formerly Kennecott International N.V.) 91/2% Guaranteed Notes Due 1986

NOTICE IS HEREBY GIVEN that, pursuant to Article Three of the Indenture dated as of June 15, 1979, as supplemented, (the "indenture") among The Standard Oil Company (Ohio) International N.V., ionmerly Kennecott International N.V. (the "Company"), Kennecott Corporation, formerly Kennecott Corporation, as Guarantor, The Standard Oil Company, an Ohio corporation, and Morgan Guaranty Trust Company of New York, as Trustee, under which the Company issued its 9½% Guaranteed Notes Due 1986 (the "Notes"), and the tenth paragraph of the Notes, the Company has elected to and shall redeem on September 12, 1985 (the "Redemption Date") all of the outstanding Notes at a redemption price of 100% of the principal amount thereof (the "Redemption Price"), plus accrued interest from June 18, 1985 to the Redemption Date in the amount of \$22.96 for each \$1,000 principal amount of Notes. The Notes shall become due and payable on the Redemption Date at the Redemption Price plus accused interest which shall be paid upon presentation and surrender of the Notes together with all coupons thereto appertaining maturing after the Redemption Date at the paying agents listed below.

The Notes will no longer be outstanding after the Redemption Date and interest on the Notes will cease to accrue from and after the Redemption Date and the coupons for such interest shall be void.

interest shall be void.

Payments at the office of any paying agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, Ciry and State of New York. Any payment made at the office of the paying agent within the United States or by transfer to an account maintained by the payer with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payer is not a United States person, or an executed IRS Form W-9, certifying under penalties of perjury the payer's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your services for payment.

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Deutsche Bank Aktiengesellschaft

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Swiss Bank Corporation

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Credit Suisse

August 13, 1985

Notice to Shareholders of SOPHUS BERENDSEN AS Notice is hereby given to the holders of Sophus Berendsen A/S shares for delivery of DKK 46,743,000 Bonus Shares as from 23 August 1985. Each B-share amount of DKK 2,000 entitles the holder to receive DKK 500 Bonus Shares (B-shares) against surrender of Coupon No. 20. The Bonus Shares rank for full dividend for the 1985 Reference is otherwise made to the danish Prospectus which may by obtained from the place of delivery: DEN DANSKE BANK Issues Department Holmens Kanal 12 DK-1092 Copenhagen K. Copenhagen, 13 August 1985

THE BOARD OF DIRECTORS

OF SOPHUS BERENDSEN A/S

Upjohn in

bold move

to beat

baldness

UPJOHN, the U.S. plarma

centical group, is to baild a \$23m (£17m) facility to produce an anti-baidness drug, which some Wall Street analysis believe could become one of the fastisst

selling drugs in the world.

based pharmaceutical group is going ahead with its plans to make a substantial investment in a new facility leaked

ment in a new racinty leared out following its application for tax relief on the construction of the new plant in Kalamazoo, Michigan,

The new drug, which still has to be approved by the U.S. Food and Drug Admin-Biration (FDA), is a version of Upjohn's Minoxidil, a patented hypertension drug.

One side effect of the drug,

which has led to sizeable sales already, is that it seem

Upjohn says that pre-liminary analysis of its research data shows that

research data shows that patients treated with Topical Minoxidii exhibit approximately one third with acceptable hair growth, one third with veilus (fine) hair and one third with no perceptible

So far no significant side

effects have been detected and the company plans to file a new drug application with the Fda before the end of 1985.

Mr Ron Nordmann, a pharmecutical analyst with

Paine Webber, is one of several Wall Street analysts who believe that the success-ful introduction of the pre-

to be to stimulate growth in hald people.

News that the Michigan-

Terry Dodsworth examines prospects for the chemical company after a second disastrous gas leak

Poll shows Bush leads in race for nomination

By Reginald Dale, U.S. Editor in Washington

VICE-PRESIDENT George Bush has a substantial head start in his expected bid for the 1988 Republican presidential nomination. apparently thanks largely to his close White House connection with President Reagan, according to a survey of potential presidential candidates published yesterday.
The Washington Post-ABC
News poll showed Mr Bush
making a considerably more favourable impression on the gen-eral public than any of the 11 other leading Democrats and Republicans put to the test, ex-cept for Mr Reagan himself. For the Democrats. Senator Edward Kennedy of Massachu setts made the strongest show-ing, with a 55 per cent favour-able rating. But he also had the biggest negative reaction, 33 per cent, except for Mr Jesse Jack-

Positive.

Awild card in the Democratic contest was Mr Lee Iacocca, the chairman of Chrysler, who has sometimes been mentioned as a sometimes been mentioned as a possible candidate. He has denied that he has presidential ambitions. Although more than a third of the respondents said that they did not know enough about him to form an opinion, he scored 49 per cent favour-able against only 15 per cent

son, who rated 41 per cent un-favourable against 43 per cent

negative.
On the Republican side, Mr
Bush had a 59 to 28 per cent
positive rating, against 65 to 31
per cent for Mr Reagan, and
much greater name recognition
than other possible candidates than other possible candidates such as Senator Robert Dole of Kansas or former Senator Howard Baker of Tennessee.

The polisters said, however, that most people's rating of Mr Bush depended on their view of Mr Reagan. They warned that Mr Bush's high ratings could fall "when Reagan steps away and the other candidates home in on Bush."

Among the Democrats, Senator Gary Hart of Colorado, the

Among the Democrats, Sena-tor Gary Hart of Colorado, the beaten contender for last year's nomination, ran second to Mr Kennedy among the politicians, with a 47 to 22 per cent favour-able rating. As for Mr Kennedy, the pollsters cautioned that he has always done best in surveys when people are not thinking about elections. Once he enters a race, people remember the 1969 Chappaquiddick incident, in which a young female passesses in his course descended.

Spectre of Bhopal haunts a troubled Union Carbide

plant in Institute, West Virginia, could hardly have come at a worse moment for the company. Eight months after the similar, but more devastating accident at Bhopal in India, the company was not only beginning to return to promptly but was also diving normality, but was also giving signs of coming to grips with its deep-seated industrial

For years, Union Carbide has been a favourite Bete Noir of the community of Wall Street analysis. Throughout the 1970s, investors watched the company promise the world, but do little about its lagging investments in the petrochemicals, carbide and metals sectors.

When the group built a new fortress-like headquarters building in the isolated woods of southern Connecticut, it seemed to many like a perfect symbol of an organisation which had lost its way—remote, cut off, and turned in on itself.

The trauma of the Bhopal disaster, however, shook the company in a way that the criticisms of Wall Street had never done. Its affairs were forced under the spotlight, its executives had to come out into the open, and its complacency vanished overnight.

Mr Warren Anderson, Union Carbide's courtly chairman, returned from a visit to India with the poignant observation that the rest of his working life would be devoted to sorting out the Bhopal problem. He set in motion a management

THE SERIOUS gas leak at the reorganisation designed to bring gering an offer from a third Union Carbide toxic chemicals newcomers into day-to-day party, Union Carbide looks like

shares, knocked down to \$32.75 in the wake of last December's Bhopal news, have recovered dramatically, rising to \$50.75 last Friday before the accident

They have to get rid of their weaker divisions, come to a settlement on Bhopal, and buy back

some of their shares

to get the price up?

several well-known corporate predators are said to have begun assembling blocks of shares. Mr T. Boone Pickens, the Texas oilman who has brought off many share raiding cours in the last two years is supposed to have moved in along with the Bass brothers of Dallas and the GAF chemicals

For these sort of investors,

conglomerate.

executive jobs.

A typical prey—a company
Wall Street has convinced suffering from inertia, overitself over the last few months staffing and a share price
that these hists of action were which, even at its improved
really leading somewhere. The level, still stood at \$20 under the book value of the shares on As the vultures circle, Wall

dramatically, rising to \$50.75 As the valtures circle, Wall last Friday before the accident street believes that Union Carbide has a clear choice of Even if the company failed action. "It does not take a to make the right moyes, many rocket scientist" to the last out analysts argued, the investment what they should do," says Mr in Union Carbide was a legit. Peter Butler, of Paine Webber, mate speculative play, since the New York securities firm.

"They have to get rid of their weaker divisions, come to a settlement on Bhopal, and buy back some of their shares to get their share price up." These prescriptions fit the conventional wisdom on the restructuring of industry in the chemicals sectors, several companies have taken hefty write-offs in the last year to the general approval of the invest-ing public, which has seen the moves as a sign of managerial strength rather than industrial

Union Carbide recently has stressed its growing interest in its consumer, industrial products and service activities, acquiring businesses in automotive equipment (it already owns Simoniz Waxes) and

Only a month ago, it remarks some successful divest-structured its operating com-panies under two main divi-sions, grouping together all its up the price and make the service related businesses on company less attractive to the one side and the oil themicals raiders. who frequently move against companies in the hope of trig-



demonstrators gathered outside Union Carbide's Manhattan

and plastics on the other. Many observers immediately inferred that this was the first step setting up the operations as a saleable group. -Union Carbide has

moved to strengthen its take-over defences. In a first step, it has insulated its overfunded. pension plan companies have been relded in the past for the spare cash in such schemesby making sure that the excess funds will go to the scheme rather than raiders.

Secondly, it has made it much more difficult for outsiders to call board meetings and estab-lish a quorum for bringing pressure on directors. It is expected that it Union Carbide, makes some successful divest-ments, it will use the cash to buy in shares in order to push

Without a settlement of the. bitter litigation over damages to victims of the Bhopal disaster, however, the reorganisation being advocated for the company would not be sufficient to put it securely back on the rails. At times over the last six months or so, Union Carbide has seemed to be on the edge of a breakthrough in its of a breakthrough in its strategy of trying to come to a settlement directly with the indian Government, rather than through the courts, but talks have repeatedly broken down, with Union Carbide officials complaining privately that the Indians are not interested in genuine negotiations, and that the company cals get no clear commitment that the remaining the result will go only to the victims.

The betting on Walt Street is

The betting on Wali Street is that the direct negotiations should eventually succeed, although they may well be a long-drawn-out process. They

will also involve a fairly hefty charge, since the company's insurance policy is unlikely to cover the settlement (figures of between \$200m and \$500m are being openly bandled about) sgainer the contrast cosposed instrance cover of ground \$200m.

The danger is that the gas leak in West Virginia will absorb mnagement in further fire-fighting on the safety front when it has all these other preoccupations on its plate. The vulnerability of the company was immediately underlined ye sterday, when the shares fell sharply by \$1; to \$48; by mid-

tion rather than a managerial blunder," said one analyst yesterday, "but it reinforces the impression of an accident prone management with little public credibility.

paration to cure baldness could renasform Upjohn into growing drug companies. Over 30m American men and 20m women are said to be bald but the potential market is believed to be con-siderably larger among younger people who fear going bald.

As word has spread about the impact of Minoxidil, people have been buying hypertension pills and crushnypertension pilis and crushing them into powder which they then mix with liquid and apply to their bald spots. According to Mr Nordmann, people have been spending up to \$100 a month buying the pills for their baldness.

Caribbean islands left stranded by World Bank

BY CANUTE JAMES IN KINGSTON

SEVEN SMALL eastern Caribbean islands are attmepting to reconsider changes in their credit status which have left them without access to any of the institution's resources.

The seven—Antigua, Mont-serrat, St Kitts-Nevis, Dominica, Grenada, St Lucia and St Vincent-have been promoted by the World Bank out of the cate-

They are not, however, considered credit worthy enough to gain access to the Bank's

It is not so much the graduation which has angered the countries, which make up the Organisation of Eastern Caribcent—have been promoted by bean States, a sub-group of the the World Bank out of the cate. Caribbean Econômic Commi-gory of countries which have nity but the fact that the hasis

Caribbean Government offi-

access to interest free soft of the move is their reported island nations. They argue that interest the international finanof the move is their reported island nations. They argue that interest the international finance capita income. This has now exceeded the \$806 (£592) the per capita criterion is miscoil community in getting the per capita criterion is miscoil community in getting the capital for gaining access to tries with populations of not world Bank soft loans.

The island nations have asked the world Bank to get them once than 100,000. Mr. Lestrade said the size of the access to a half-way house between the soft and commercial to tried image of their economies, which were in reality very tried in a produced a distance of the soft and commercial to tried image of their economies.

Caribbean Government official access to a half-way house between the soft and commercial to an windows.

There is now a strong argument of the creation of this natural disasters with populations of not window to enable countries like those in the Caribbean to have access to a half-way house between the soft and commencial to make the soft and commencial to the community in getting the window to enable countries like those in the Caribbean to have access to a half-way house between the soft and commencial to make the soft and community in getting the window to enable countries like them out of this financial no man's land produced a distance the soft and community in getting the window to enable countries like them out of this financial no man's land produced a distance the soft and produced to countries like them out of this financial no man's land produced a distance the soft and produced to countries like them out of the caribbean to enable countries like them out of the caribbean to enable countries like them out of the caribbean the caribbean that the caribbean th

Castro call on debt rejected

repudiate Latin America's debt. although he supports efforts to ease the repayments burden, Beuter reports from Caracas.
Sr Lusinchi, speaking in
Valencia said Sr Castro's propolicy adopted by his own Government.

WORLD TRADE NEWS

French groups sign FFr 2bn contract for Caracas metro

BY DAVID MARSH IN PARIS

A GROUP of French civil A GROUP of French civil engineering and transport equipment companies has a signed a FFr 2bn (£186m) contract to carry out further work on building the Caracas metro, ending doubts that the project could be shelved because of Venezuela's financial difficulties

The contract was signed last week in Caracas with the French Frameca consortium, headed by the SGTE engineering group.
This followed interruptions to

civil engineering work on building the second line of the metro, which became apparent prise.

in 1983 because of financing The French Government has

authorised new export credits to allow companies in the Frameca consortium to carry out construction work on new stations and tunnels originally planned to be built by Venezuelan concerns. Frameca won the original Caracas metro contract in 1978. Building work on the 8.6 km second line will be carried out by Spie Batignolles along with other companies including Société Générale d'Enterprises and Société Auxiliaire d'Enter-

Philippines businessmen warn on freer trade

BY SAMUEL SENOREN IN MANILA

THE PHILIPPINES' business transhe amounting to \$106m of community has expressed opposition to the Government's credit from the International current thrust towards, more Monetary Fund. community has expressed oppo-sition to the Government's current thrust towards more trade liberalisation for fear it would precipitate another foreign exchange crisis and derail the economic recovery programme.

Most imports are to be freed.

from Government controls starting this week, when international banks restore some \$3bn (£2.1bn) in trade lines to the Philippines.

The revolving credit is part of the \$10bn debt rescheduling debt.

package signed by the Philippines with international banks in May.

Today the Philippines.

The import liberalisation measures are among major con-ditions demanded by the IMF and anesign banks in return for laterpart, in the Philippines' economic programme.

The Philippines clamped down on imports in October 1983 when it ran out of foreign exchange and subsequently sought rescheduling of its \$26bu

trois, business leaders warned, might erode foreign exchange Today, the Philippines is resources again and aggravate scheduled to draw on the list the problems faced by local tranche of the \$925m few industries. They have set an money, amounting to \$400m.

Last July 31, it drew the second for early next week.

Turkey, Iraq in trade talks

yesterday on ways to expand trade, which now totals \$25a (£1.48bn) a year, the semi-official Anatolian News Agency. said, Reuters reports.

Mr Cahit Aral, Turkey's Turkish delegation was in Trade and Industry Minister. Baghdad to buy electricity for said the talks would cover southern Turkish cities. Mr co-operation in mining and vehicle manufacture, and alternativ added: "Iraq wants to buy some Turkey commodities from Turkey Bulgaria.

TURKEY and Iraq opened talks instead of European countries and we are ready to sell them." Mr Subhi Yassin Khadeir, Iraq's Industry and Mineral Resources Minister, said a Turkish delegation was in

Aral said this would create an

alternative to power which Turkey now buys from

EEC locks China out of Irish bedrooms

IRISH officials must have slept easier last night in the know-ledge that the European Com-mission has authorised a total ban on the Chinese invasion of their bedrooms.

A tide of cheap pylamas and nightdresses from Hong Kong had threatened to engulf the Irish Republic's domestic night-wear industry which has suffered a loss of 7,100 jobs from its 1973 total of 24,000.

When Dublin noticed that imports from the British colony.

Yesterday's ruling means that no further exports from Hong Kong will be allowed to Ireland until the end of the year.

Filipino air accord Philippine Airlines has signed an agreement with Vietnam to start services between Manila and Ho Chi Minh City, an airline spokesman said, Reuter reports. "Flights probably will be weekly to start with," he added.

Mitsubishi order

Brown Boveri pact

The company expects to win the order against strong com-petition from Britain, West Germany and the U.S., but would not identify the potential

when Dublin noticed that imports from the British colony had touched 150,000 units last year—a 12.5 per cent rise on 1983—enough was declared enough, and an appeal for special permission to enforce a ban on further sales was lodged in Brussele

A Japanese consortium led by Mitsubishi Heavy Industries has won a Riyal 1.2bn (£240m) con-tract to build a power plant at Qurayyah in eastern Saudi Arabia, the official Saudi Press Agency said, Reuter reports.

Brown Boveri und Cie AG has won a contract to supply elec-trical components to the Shanghai-based East China Power Administration for its electricity network, the com-pany said, Reuter reports.

Flight simulator deal CAE Industries of Canada is completing negotiations for the sale of three commercial airline flight simulators worth around \$25m (£17.8m), Our Montreal Correspondent reports.

cials say the Bank's action does not take into account the economic reality lacking small

Leslie Colitt reports on the latest Soviet-Polish talks on industrial co-operation

Moscow wants more trade with Warsaw

THE SOVIET UNION is push the combined 2m tonne annual ing hard to expand long-term dwt output of all Poland's industrial co-operation with shippards.

Poland, its largest but most To fulfil such a huge order, troubled Comecon partner.

as well as meet the needs of

Top-level talks were held on the Polish merchant fleet and the subject in Warsaw last some Western orders, it is estimated that Poland would have deputy chairman of Gospian, the powerful Soviet planning commission, conferred with Gen Wolciech Jaruzelski, Poland's party leader, and leading Polish officials. Moscow has put forward several large joint projects which, if realised, would tie would have to be in hard Polish industry more closely to the Soviet Union. the Soviet Union.

The Soviet Union is eager for such links to wean Polish industry away from what it sees as "misguided" overdependence on Western technology dence on western recundingly and markets. Moscow is deeply suspicious on political and economic grounds of the "western orientation" of the Polish economy Moscow is also keen to make

Moscow is also keen to make up for shortfalls in its own industrial output. The Soviet demand might alter arter a few years, leaving newly built shipbuilding industry, for example, is so busy providing vessels for the country's fast-expanding navy that a major proportion of merchant ship requirements have to be met after huying 400,000 units a year from outside.

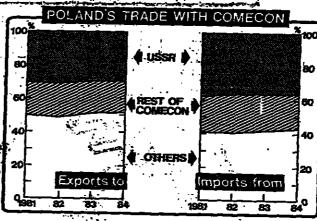
But the Poles refused because

The talks centred on the Poiss refused because Poiss shipbuilding industry, they were afraid of being left which has already undergone a decisive shift towards the the Soviet housing programme Soviet market after a shiarp was suddenly cut back. I fall in orders from the West Poiss now dotted with Moscow is now offering to surplus plant capacity erected sign contracts for 10m deadwith Western technology but with only the faintest hope of five years—a quantity equal to

Top-level talks were held on the Polish merchant fleet and

currency to pay for electronic equipment and other components imported from the West.
Soviet officials are said to have noted that if Poland is not interested in the offer, they will go elsewhere, possibly even to the West.

On several occasions in the past, Poland has turned down Soviet offers of large-volume, long-term industrial agreements. Warsaw was afraid that Soviet demand might alter-after



West, the most striking examples of which are in the paper, chemicals and light in-dustry sectors. The Soviet Union also approached Poland in the late approached Poland in the late 1960s to build, 200,000 dieselt engines a year, for the Kanaar truck, which would have required buying a licence in the West. Poland's counter offer to turn out 20,000 engines annually was related by the Russians. The problem with producing

west. Foliand scientific animally consumers is that much of the turn out 20,000 engines animally cotton and wool needed would was rejected by the Russians have to come from the West, Today, with Poland's debt to as Soviet output is insufficient. The possibility of jointly transferable roubles (\$4.3bn) building a mill in Ethiopia has and underused plant capacity, a growing body of thought within less than enthusiastic. Today, with Poland's debt to the Soviet Union of some 5bn transferable roubles (£4.3bn) and underused plant capacity, a growing body of thought within the Polish Government is said to favour entering into such deals if the terms are right.

List addition to ships, Moscow shown interest in having built wants to sign long-term conton needed for the Soviet wishes and shoes. At last year's comecon summit, the Soviet Union also wants negotiations.

Omon made if plain to its partners that if they want to continue getting current quantities of Soviet oil and natural gas, they must provide it with high-quality consumer goods and advanced engineering products.

clothing in Poland for Soviet consumers is that much of the

Poland to produce traditional leather shoes for them, but the Poles would rather sell them athletic shoes, which they say are virtually bought off the feet of Polish visitors to the Soviet Union.

In addition, Moscow has ex-In addition, Moscow has expressed interest in buying large quantities of furniture from Poland. This would involve the construction of a new factory to produce laminated materials and upholstery. Again, the Poles note, joint investments are needed.

one recent joint Soviet-Polish project is being cited as proof that both countries can cooperate effectively on long-term industrial schemes.

Moscow has almost entirely financed a new coking plant at Katowice which is to deliver two-thirds of its output to the Soviet Union. In addition to covering the hard currency expenses, Moscow has shipped quantities of refrigerators and washing machines to Poland to pay for the salaries of workers pay for the salaries of workers

pay for the salaries of workers on the project.

However, despite Warsaw's high dependence on Soviet raw material and fuel imports there are few company-to-company links between the two countries. Moscow is now working hard to change this, as well as attempting to induce Poland to fill gaps in its own industrial output.

Just how far Poland is pre-Just how far Poland is pre-pared to go to comply with Soviet wishes as yet remains unclear. Whatever the officome, both sides seem set on a path of fairly lengthy and ardnous pegotiations

S. Korea cheap car plan starts to yield dividends

According to the Kores Auto Industries Co-operative, South Korean companies exported 61,484 vehicles as at the end of July, an increase of 138 per cent over the same period of 1984.

The trend is expected to continue, with vehicle exports projected to exceed 100,000 by the end of the year, compared about \$5,000 with \$2,350 exported last year.

Car manufacturing is one of the cars we South Korea's most rapidly UK in July.

SOUTH ROREAN plans to growing industries, with become a major force at the vehicle production expected to cheap end of the world car rise from 285,000 in 1984, to market are beginning to yield over im in 1990, with most of dividends. The country's exports of cars rose dramatically during the first seven months of 1985.

According to the Korea Auto cent of the industry's car exports. This year, the company introduced a new front-wheel drive subcompact, the Pony

> safety and emissions testing in the U.S. and is expected to enter the market before the end of the year, with a price tag of about \$5,000 (£3,570) for a basic model. Seven hundred of the cars were shipped to the

Excel

Yeutter asks Japan to cut more fariffs

DR. CLARENCE TEUTTER.
U.S. Trade Representative, has asked Japan to cut more tariffs and take other measures to

DR. CLARENCE TEUTTER.

U.S. Trade Registrative; has asked Japan to cit more tariffs and take-other measures to open its markets, a spokesman for the International Trade and Industry Ministry (Miti) said.

Renter reports.

Dr Yeutter. on a four-day visit to Japan, told Mr Keijiro Murata, minister in charge of Miti, that he wants Japan to import more soda ash and to cut tariffs on aluminium, paper products and optical fibres—all items excluded from Japan's July 30 tariff cuts

Officials noted that Dr Yeutter and Mr Murata agreed to set up a new channel for talks to solve the dispute over semiconductor trade,

ENELL INTERNATIONAL has sching in Shell. International to the Malaysian Government to boild a Malaysian Government to boild a Malaysian Government about equity participation on the Mds venture is at an advanced stage. Shell appears to be prepared to take up more than 50 per cent equity if the Malaysian Government so wishes.

If the plan is approved, the plant is superved, the plant would be located at Bintulu, centre of Malaysias; and Government is taking its time to consider the project for two reasons. First, the Mds plant is the first in the world, and Malaysia feels it may not have sufficient expertise—to monitor its performance. Secondly, Petronas has alowed down several of its projects in line with a cuiback in Government so wishes.

According to Mr H. A. Mearle,

Shell offers to set up gas process plant in Sarawak

According to Mr H. A. Mearle, ment development expenditure,

Financial Times Tuesday August 13 1985

N. C.

\$ 3.66A

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Output of

suspended

PRODUCTION of Sir Clive Sin-

clair's C5 electric tricycle has been

suspended by Hoover, the domestic appliance company which assem-bles the machine under contract at

its washing machine plant at Mer-thyr Tydfil, South Wales.

£1.5m which it says it is owed for

costs already incurred by Sinclair

Sinclair described the suspension

as temporary and due to compo-

nent shortages arising from summer holidays." Hoover confirmed yesterday that it had run out of cer-

tain essential components, but added that it did not intend to take

on any further inventory until its "differences" with Sinclair had been

Workers on the tricycle have

been transferred to washing ma-

chine production lines. Last week

they were modifying some of the several hundred machines stock-piled at Mertbyr Tydfil and packag-

ing them for export to European

continental markets.

Exports appear to offer the best hope of a lifeline for the C5 which

has failed to find the UK market

which Sir Clive Sinclair had hoped

for. Its prospects were dealt a parti-cularly savage blow at the end of

last week, when two of the largest

retail chains handling the C5 cut its

Clive has sunk £7m, is entirely sep-

arate from the Sinclair Research

electronics company also run by

For many weeks before output was halted, the C5 had been pro-

duced at a rate of only 100 a week,

compared with an initial rate of 1,000 a week - and Sir Clive's confi-

dent prediction at its launch in Jan-

uary of 2,000 a week after a second

☐ THE NATIONAL Coal Board

(NCB) is seeking a court ruling which would allow it to penalise

miners on strike during the year-

long stoppage by reducing their pensions in proportion to their ab-

The £2.8bn miners' pension

scheme, one of the largest in Brit-

ain, suffered a shortfall of about

£120m during the strike which end-

would affect the Bank of Ireland,

Allied Irish Banks, the Northern

sence from work.

ed in March this year.

production line had been added.

£399 list price by up to half. Sinclair Vehicles, into which Sir

Sir Clive.

Hoover is claiming at least part of

Sinclair

tricycle

Retail spending still at peak level

By Philip Stephens and David Churchill

SPENDING IN the shops held at record levels last month, assisted by the traditional summer sales and probably by the influx of overseas tourists.

The Department of Trade and Industry said yesterday that its index of retail sales rose to a provisional 116.1 (1980 - 100) in July, after June's 1.2 point rise to the previous all-time high of 116.

Although last month's increase was much smaller than that in June and is subject to possible revision, it left the volume of shop sales more than 4.5 per cent higher than a year

Over the last three months, which give a clearer guide to the underlying trend, the volume of sales was 2 per cent higher than in the previous three months and 5 per cent above the level of a year

Retail spending has been sus tained at buoyant levels by substantial increases in real, or inflationadjusted, earnings for those in work and by the upward trend in bank and retail credit for personal

Government officials believe that alongside those factors, the traditional summer bargains in stores and the large number of foreign tourists visiting the UK may have given a particular boost to sales The Retail Consortium, which

represents most of the larger retailers, said some of its members had been disappointed that the July figures were not even better.

Estimates fail to get measure of the economy

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

doing persistently better than the first official estimates suggest, the Central Statistical Office (CSO) said

• • •

It says that the initial figures for gross domestic product (GDP) are nearly always revised in the light of later information, and on average, the revisions give a considerably brighter picture of past economic

A study published in the CSO's Economic Trends yesterday shows that revisions over a five-year period have pushed up the economic growth rate by 0.8 percentage points, on average.

Since 1980 the quarterly growth rates for GDP at constant prices (compared with the level at the same period a year earlier) have ranged from minus 4% per cent to

Nevertheless, the CSO says that not all revisions have been up-wards. For some periods later information has shown that the economy was doing less well than was practice of adding 1 per cent to first

thought at the time. In future, the Government has expected range of revisions along with its first estimates of GDP. For the quarterly figures of GDP verts to its purer status.

at constant prices this range will be from 0.3 percentage points below the first estimate of the growth rate to 1.7 percentage points above.

It had been found that the prac
corrections alongside.

THE BRITISH economy has been tice of choosing a new base year (re-basing) for the statistics and allowing for the changing importance of different sectors of the economy have tended to shed a more optimis tic light on past growth rates.

> It has also been discovered that revisions are on average greater in the expansion phase of the economic cycle. When the economy is contracting initial estimates tend to be quite accurate.

> At times of rapidly rising infla-tion, first impressions of the eco-nomic growth rate have tended to be too optimistic, but the reverse has been the case when the inflation rate is falling.

> The CSO had had trouble for many years with the accuracy of its figures for industrial production, which form part of the estimate of total national output. It has proved difficult to collect complete figures, particularly from smaller and

decided to publish figures for the visions. After a few months, this again so that the published data re-

Threat of national rail strike grows over driver-only trains

BY BRIAN GROOM, LABOUR STAFF

FEARS OF a national rail strike over plans for driver-only trains were reinforced yesterday when a dispute involving guards and signaimen caused severe disruption on British Rail's Western Region.

More than 500 guards went on strike at Immingham on Humberside, halting all 16 iron ore trains to the British Steel Corporation's terminal at Santon, which serves its Purfleet, Essex. Scunthorpe works.

On Western Region, BR management said that trains today may be delayed or cancelled if there is fur-

Western Region commuter services into London yesterday were cut to a third. There were not direct Inter-City trains between London and Devon and Cornwall and BR advised passengers to use Bristol services and then try to take trains

The strikes began when a driver, believed to be a member of the re-bel Federation of Professional Railway Statis, agreed to move a freight train without a guard.

The National Union of Railwaymen plans to ballot more than 10,000 guards on August 29 on in-dustrial action over BR's implementation of driver-only working withstrike no British Rail employee local passenger services.
may be paid. Even before the ballot,
however, disruption is mounting were sent home for refusing to opgo ahead with its plans.

from a quarry near Somerset to plans.

Southall, London.

ly committed to continuing trials with driver-only trains with a view

At Immingham, guards walked out at midnight when they were told that all 16 ore trains would be operated with drivers only. Previously this had applied to two trains, stations. resulting in some guards and drivers being sent home.

The drivers, members of Aslef, did come to work but nine who refused to take out trains without guards were sent home. Mr Bill Collins, NUR branch secretary, said

BR has warned that if the guards the stoppage was also likely to hit

around the country as BR tries to erate oil trains without guards between Thames Haven and Ripple Western Region's trouble began Lane, East London. Virtually nowhen its first driver only freight where around the country has BR train set off late on Sunday night persuaded railmen to carry out its

The dispute has already halved Signalmen at Westbury in Wilt- passenger services on the Great shire were sent home when they re- Northern suburban lines from Lonfused to handle it, guards at the de- don King's Cross and Moorgate, pot walked out and similar action where guards are banning overtook place when the train arrived at time. Appearance of a train unit converted for driver-only use Western Region said it was firm- prompted a guards' strike at Glasrow central in Scotland

There are other disputes in to running the business more effi- freight areas in South Wales and at Willesden, north London. BR has further plans for driver-only trains in freight services, notably in the East Midlands where trains operate between coal mines and power

> The NUR says trains without guards are unsafe and that thousands of jobs will be lost. Managers dismiss the safety claim, pointing out that one-man trains have been working safely between London St Pancras and Bedford for two years.

Britoil shares give 22% paper profit

INITIAL DEALINGS in the 243m

Britoil shares sold last week by the Government left the company's 450,000 new shareholders holding a paper profit of 22 per cent yester-day at the close of the first day's trading. Investors put down an initial pay-

ment of 100p a share, with a further 85p to pay in November. The shares opened yesterday at 124p and closed at 122p, giving an instant pa-per profit of 22 per cent, but a smallprofit of 11.9 per cent over the full offer price of 185p per share. Lazard Brothers, which handled the share sale for the Government, yesterday rejected criticism that public assets had been sold at less than their true worth, to the advantage of speculators. Mr Richard Davies, a director of Lazard said yesterday that the Britoil share price had not moved significantly since the offer was made.

However stock jobbers yesterday reported an active market in the partly-paid shares, with many small bundles of stock being sold by the new shareholders. Lazard allotted no investor more than 150 shares, with applicants for more than 1,400 shares being given nothing at all. Dealings yesterday were in marked contrast to the first days trading in the first issue of Britoil shares in November 1982.

Lex, Page 12

London gears up for securities changes

BY CHARLES BATCHELOR

STOCKBROKERS, jobbers and banks are racing to get equipment and systems in place well before the basic shape of securities dealing in the City of London changes after the so-called "big bang" of autumn

Some of the big companies want to be prepared for single capacity trading - under which market makers combine the present functions of brokers and jobbers - by the end of this year, says Mr Bob Brown, product marketing manager of Thorn-EMI's Software Sciences City Divisions.

They fear that non-UK banks and securities houses - which already do considerable business in non-UK stocks and in UK stocks in American Depositary Receipt form – may be tempted to make markets ahead of the "big bang" deadline, particularly if there is any delay in the London Stock Exchange's time-

Thorn yesterday launched Colt -Continous On-Line Trading System which is designed to support the dealing and market-making activities of securities houses.

Thorn has taken a software system developed by Ferncon Associates, a small Boston, Massachusetts, company and modified it to take account of the variety of currencies and types of security traded in the London market.

securities traders to decide what modifications were needed for the London market. The City firms involved are Barclays de Zoete Wedd, James Capel, County Bank Group, Kleinwort Benson Grieveson Grant Phillips & Drew and Schroder Secu-

Some of these companies are de-veloping their own in-house trading systems but backed the Thorn-EMI project as an insurance policy against the failure of their own efforts, Mr Brown says.

Thorn-EMI believes Colt is the first system of its kind to be available in London. The basic system will be available from March 1986 to allow users to familiarise themselves with it. A facility to link up with the stock exchange's Automat-ed Quotation System (Seaq) will be available from June

Colt will allow dealers to record deals for internal and stock exchange use and maintain an over- ber 1982. view of their positions in any security instrument in "real time" prices and currency rates.

It will cover UK and international equities, Government stocks and other fixed interest securities, traded and traditional options and financial futures.

Thorn believes that, at most, 25 companies would need its system which costs an initial £370,000 excluding hardware - but it sees Colt Thorn has been working with a as part of an expansion of its softconsortium of six City of London ware business for financial users.

But the judge ruled in open court that the complex financial dimensions of the anti-trust case were not sufficiently clear for him to be satis-

the Dramasur Army finto dislocate that of the character that of the character that the character the character that the charact

He therefore invited both parties to the appeal to state their views of the settlement in more detail - and ordered the hearing to be held in closed chambers rather than open court, to avoid prejudicing the un-

deriving case in any way. The hearing resumes today.

Vickers may attempt buy-out

BY ANDREW FISHER, SHIPPING CORRESPONDENT

House has expressed interest - it bought the Scott Lithgow off-

shore yard last year and also bid

for Yarrow - and other compa-

ing interests are likely to study

These will be put out in Sep-

hank arranging the sale of the yards. While no price has been

put on Vickers, total proceeds from the warship yards have

been forecast to be less than the

Vickets alone would account for much of this, having made a trading profit of £17.7m in the year to March 31, 1985, against

£21.2m the previous year. Cam-mell Laird, hit by labour dis-putes, made a trading loss of

£140m cost of one neval frigate.

nies with defence and engine

tember by Lazards, the merch

the documents on Vickers.

programme. Dr Rodney Leach, its new chief executive, is assess-

The Government wants the warship yards sold back to the private sector by next April. Yarrow on Clydeside has been sold

to General Electric (GEC) for £34m, while Swan Hunter on the

Type and Vosper in Southamp-

management teams keen to

Vickers, no longer part of the Vickers industrial group since nationalisation in 1977, is the

biggest profit earner at BS, while

Cammell Laird has recently

made losses. By reducing the likely price of the combined yards, this could make it more

Connetition to buy the Vickers

ible to a buy-out.

acquire them.

ing the chances of a buy-out.

DIRECTORS OF the Vickers warship yard in Cumbria, one of the higgest in Europe, hope to the niggest in Europe, hope to launch a joint management and employee buy-out attempt after the sale prospectus is issued next month under the privatisation programme, Andrew Fisher

This would include the Cammeli Laird yard of Morseyside, which recently beers yard under a reorganisation by the parent company, state-owned British Shipbuilders (BS). Such a buy-out would be one of the largest in UK industry.

Together, the two yards em-ploy about 14,900 people. Vickers, with 12,500 at Barrow-in-Furness where it dominates the local economy, specialises in submarines and is to build four

west England, the biggest profit earner in the UK shipbuilding industry, intends to return to the private sector at the same time as the

emerging companies. These figures also tend to be revised upwards. estimates of production figures to take account of expected future re-

For the full GDP figures, however, it has been decided to leave the data in its unadulterated form but to publish the expected scale of

Test of strength for sleeping giant THE VICKERS shippard in north-

defence contractors to make them more competitive. Dr Rodney Leach, the new chief executive and managing director of the yard at Barrow-in-Furness, north-west England, said: This

Government is putting pressure on

means we're going to have to run where we've walked." He added that there had been a paradoxical situation for 20 years when the key to bigger profits in the defence sector had been to become more inefficient. But the Government had made clear that it wanted better value for money.

"The cosy old world of the past is gone," said Dr Leach, a former di-rector of Peninsular and Oriental Steam Navigation (P&O) with responsibility for cruise shipping. At Vickers, now part of state-owned British Shipbuilders, he sees enormous opportunities for boosting

The yard, which has built submarines for 100 years, has been called a sleeping giant. "I prefer to think of it as a sleeping princess," Dr Leach said. Whether or not the analogy is appropriate for a 160-acre industrial site employing 12,500 people, Dr Leach feels there is a lot of unexplored potential.

Certainly, there is plenty of money spent on the yard. A massive £230m covered-building facility, which will be able to handle several marine programme, is being built.

in private

By Duncan Campbell-Smith

SIR FREDDIE Laker, former op-

erator of Skytrain, and his first wife, Mrs Joan Laker, successfully launched an appeal in the High

Court in London yesterday against

the out-of-court settlement pro-

posed in Washington last month to

end the U.S. anti-trust action over

Defending the settlement was Mr

Christopher Morris, the liquidator

of Laker Airways who originally

launched the anti-trust action against British Airways and 11 oth-

er defendants, alleging they had conspired to destroy Sir Freddie's

Mr Morris agreed on July 12 to

accept a settlement with the de-fendants which would provide \$48m for the creditors of Laker Airways.

Implementation of this deal was ap-

proved by the High Court on August 5, subject to Sir Freddie's ap-

Mr John Beveridge QC, counse

for Sir Freddie, said that Sir Fred-

die, as the 90 per cent owner of Lak-er Airways, was determined to se-

and to see that justice be done." Mr

sum" could still be obtained for Sig

Freddie and Mrs Laker if the U.S. anti-trust action were pursued.

They were last month offered \$8m and \$50,000 respectively by the

co-defendants to accept the \$48m

settlement as the last word in the

legal battle, which began in Novem-

Sir Freddie recently married his

Against Mr Beveridge's sugges

tion, it was argued for Mr Morris, before Vice-Chancellor Sir Nicholas

Browne-Wilkinson, that neither Sir

Freddie nor Mrs Laker had any

realistic hope of winning more from

a court action than the sums al-

fourth wife.

ready offered.

Beveridge added that "an enormous

cure "a much better settlemen

airline.

the collapse of Laker Airways.

hearing

with Canada seen as a prospect after the Australian decision to go for submarines at once and will be West German or Swedish designs ready for the Trident nuclear sub- for its new submarines. Who will pay for this when the Vickers industrial group, is still takyard goes private is being worked ing action for improved compensaout by the Government and La-tion terms through the European Laker case

The yard's former owner, the

BY PHILIP STEPHENS

the major banks' base lending rate

and 10% per cent by the end of the

year, according to the National

bank says that despite the Tres-

sury's firm public stance the two re-cent cuts in interest rates and the downgrading of the official target

for the broad money supply suggest

The political pressure to keep un-

employment down and the likeli-

the warship yard sales. The ques-tion concerns Dr Leach, who likes

the idea of the management and employee buy-out for Vickers and Cammell Laird, the loss-making Merseyside yard which his compa-

ny has just taken under its wing.

But the buy-out attempt, still in

its early stages, will face strong competition from major companies,

including Trafalgar House, which have shown interest in the yard, of-ficially known as Vickers Shipbuild-

It has many orders for nuclear

and conventional submarines and

expects to build four for the Trident

missile programme up to the mid-

1990s. It is also pursiting exports,

ing and Engineering Ltd (VSEL).

zards, the merchant bank handling Court of Human Rights after the capability. But Cammell Laird's yard was nationalised in 1977. It losses will drag down the overall rehas said it does not want to buy back the yard.

Trading profits of VSEL slipped in the financial year to March 31, 1985, from £21.2m to £17.7m. Sales rose from £227m to £260m, but did not keep pace with costs. Dr Leach, who has been with Vickers for two months, wants to counteract the effects of tougher government policies with strict cost controls, improved manufacturing methods, and more exports of ships and

The yard is investing heavily in computers to improve design and manufacturing efficiency. It spent com on these last year, with £12m more due in the next two. Emphasis plete pre-built sections can be lifted

With Cammell Laird as a subsidiary, Vickers will have a full submarine and surface warship-building

The bank predicts that the pound.

about oil prices and concern that in-

terest rate reductions may have been too rapid, should hold steady

Another cut in base rates would result in a further downward ad-

ustment for sterling, but overall

the UK currency appears far more

resilient than in the early part of

In a separate review of the out-

stance on interest rates

ment is gradually relaxing its cau-tious approach to interest rates and coming months, it says.

should fall to between 10 per cent hit in the last two weeks by fears

In its latest economic review the at around present levels in the near

this year.

An artist's impression of the submarine building facility now under construction; -Dr Rodney Leach, Vickers chief executive right

55.2m (523.8m). The price for both yards could exceed £60m. The battle for ownership of the

by three main factors:

How the £230m construction

cost of a new covered building la-

cility for nuclear and other sub-

marines, is met under new ownership. This could be by lease

or payments related to inture

◆ The impact of tougher govern-

ment purchasing policies for de-ience equipment. Dr Leach said

future profits on each submarine

would be smaller, with Vickers

now "in a somewhat static profits position." A productivity drive is

● The attitude to defence projects of the Labour Party, if it wins the next general election.

mbined yards will be affected

last year's labour problems and has been taken out of the problemridden offshore rig sector. However it will be some time be fore Cammell Laird earns money

Vickers is building the first, as well as four nuclear submarines worth some £160m each, for the marines will be worth well over is also now placed on modular said they will cancel Trident if they building of submarines so that com-win the next election, but will provide alternative non-nuclear work. In the export field, Vickers is Middle East, and Asia, as well as

change rate the broker James Capel says that by forcing the pace

on interest rates the authorities

tive in cutting interest rates during

periods of sterling strength if confi-

It adds, however, that despite concern over Britain's competitive

ness it is unlikely that the official

view of a strong exchange rate as a key constraint on inflation has been

nce in the pound is to be restored.

from the frigate contract which the Government awarded it in recognition of its improvement. Both yards will be considered for the next three Type 2400 diesel-electric Upholder class submarines, worth some £50m each.

Royal Navy. The four Trident sub-I NORTHERN IRELAND'S four biggest banks are facing a threat to strike by 5,500 staff who want a 10 £1bn. Labour Party politicians have per cent pay rise. The strike, planned to start on August 27, seeking orders in North Africa, the

Bank and the Ulster Bank. DECLINING GROUSE populations are the subject of a £350,000 Bank sees signs of change in cide with the start of the official

game-shooting season, August 12. Red grouse are scarce on many estates in Scotland, the Game Conservancy organisation says. □ COAL MINERS in Warwickshire vote this week on whether to reject THERE ARE signs that the Govern- bood of a fall in the inflation rate look for borrowing costs and the ex-

the National Union of Mineworkers, which called the year-long miners' strike, and join the breakaway lederation based in Nottinghamshire. The Warwickshire miners are the

have created uncertainty over polifirst to be balloted on joining the new organisation. must refrain from taking the initia-

I INDESIT (UK), the British sub-sidiary of the troubled Italian manufacturer of white goods, said it was optimistic about its future in the UK. Its parent, Indesit, Italy's second largest home appliance group, said last week that it would ask a Turin Court to put the company into state administered receivership. Mr John Malagoni, managing di-rector of Indesit (UK) said: We are profitable in the UK and we could

continue to trade independently." ☐ BUSINESS TAILURES covered by leading UK credit insurance company Trade Indemnity dropped by 3.5 per cent in the 12 months to July on the previous year's figures, according to a report by the compa-

U MRS MARGARET Thatcher, the Prime Minister, has started a two-week holiday in Salzburg, Austria. Accompanied by her husband, De-nis, Mrs Thatcher flew from an air force base in West London to be greeted by Herr Wildfried Haslau-

Date set for refinery move to Gulf

a more flexible approach.

SHIPMENTS OF Esso's old Milford Haven, South Wales refinery to Aiman, one of the two members of the United Arab Emirates still without a commercial oil and gas dis-covery, are to start in October and uled to come on stream in 1986.

Capacity of the reconstituted fa-

cility, which was shut down in 1983, will be 100,000 barrels a day. None of the principals involved has said

cessed at the plant, which is being established in the Gulf by the Aiman Refinery Company (Arcol). Removal of the refinery was first announced in the Financial Times last summer. It is viewed sceptical-

ly by leading oil companies but Ar-col has lined up some big corporate

names for the project.

Financial services are being provided by Barclays Bank, Credit handle the sale of output.

Agreements for project m ment have been signed with Sir Alexander Gibb and Partners, Foster Wheeler (Energy) and Hawker

definitely whose oil will be pro- Suisse First Boston and Banque du

Siddeley Power Engineering. Treffoil GmbH of Hambur

warns on industrial decline

By Margaret van Hattem, political correspondent

icit on information technology imports within five years if steps are not taken to revitalise the industry, according to a Social Democratic Party (SDP) policy paper published

The paper, called Focus on the Future - a Strategy for Innovation, was prepared by the SDP's working party on high technology and is to be presented to the party's annual conference next month for adoption as party policy.
It argues that Britain urgently

needs an industrial transformation. It points to the relative decline in the information technology industry (Britain was once a net exporter and already imports an annual net £2bn worth of products), and the months to enable applicants to The paper proposes making all it also proposes a campaign to shortage of trained engineers (esti-£2bn worth of products), and the mated at 25,000 and expected to projects, with successful applicants

BRITAIN faces an annual £9bn def- double within the next three years), eligible for up to a further £400,000 concessions to those companies curas illustrations of the urgency of over two years to help develop their rently benefiting from the business The paper suggests that the Brit-

It therefore proposes the creation

The corporation would awards of up to £40,000 for six lished months to enable applicants to The

holding company, British Innova-tions - to fulfil this role, operating "at arm's length from government

too close to government to be able review at the end of that period. opment to provide the venture capital and The aim would be to keep the kinger term finance needed by descheme self-financing and thus reveloping industries in a flexible move it from the political area.

The holding company would, similarly, start with government funds of two new bodies - a New Technol-and be wholly publicly owned, but the aim would be to make it selffinancing. It would spread investments across the spectrum of British high technology enterprises, selling off shares to the public as the investments became estab-

tax-free; and suggests special tax scientist in British society.

expansion scheme which devotes The corporation would start with half their expenditure to either ish Technology Group, successor to an initial endowment of £260m and Paye qualifying wages (tax deductthe National Enterprise Board, is an initial life of five years, with a ed at source), or research and devel-It proposes an immediate in-

crease of £50m in the science budget and a review and modification of the Official Secrets Act.

It urges radical changes in the education system to encourage a broader based school curriculum with more mathematics, science and technical subjects, an expansion of training at all levels, and reforms to further and higher education systems.



Edinburgh Festival/William Packer

A French view

For a Festival that has we begin effectively with royalist sympathy who came to for once, though it owes rather more to the sensible oppor-tunism of the particular galleries and institutions than to the policies of its own organising committees, those exhibitions in substantial part are decidedly apropos the Festival's general theme of the Auld Alliance as a cultural force.

;udeq

There is a whift of change in the air, and with Timothy clifford, late of Manchester, now at the helm of the National Galleries of Scotland, it seems unlikely that the former defen-sive distance kept from central Festival affairs is to be maintained. Quite right too: the visual arts at large already tained. Quite right too: the visual arts at large already supply one of the principal reasons for visiting Scotland, and Edinburgh in particular, at any time, and of course they should be prominent at the centre of the Festival. If the committee itself does not make that clear, by its policies and active support, others will, which might well make the Festival itself the sideshow. The arts of France in relation to those of Scotland, and to Scottish patronage and connoisseurship over the cen-turies, is indeed the theme.

where the upper suite of galleries has been given over (until September 22) to French painting and drawing between 1500 and 1900, that is to say from Clouet to Cézanne. That so much of this work should be so familiar, such old friends as it were, to those of us with regular acquaintance with the gallery does nothing to lessen the effect. Small as it is in comparison with other national

really been over- Poussin and the astonishing England in 1792 to escape the concerned with the visual arts, run of the Duke of Sutherland's revolution and stayed 10 years. Edinburgh this year is surprisSix Sacraments, works of an But though he built up again ingly rich in the exhibitions it aesthetic treat and challenge in a successful practice, especially cither offers of recomments. themselves.

But on we go, as who could not, to the most wonderful Chardin posey in its blue and white pot, and to Watteau's Fête Venitienne, quite as seductive as it is important, and to the most charmingly suggestive Pater of Bathing Party, and Boucher's Pompadour. So, on through the drawings, and by way of Baron Gérard, Delacroix, Courbet and Corot and the course the course of the course Corot and we are with the Impressionists and Post-Impressinpressionists and rost-impressionists, early and late, exquisite Sisley's of the Thames and Seine, and rapid Degas study of A Girl's Head, A Ritchen Garden by Pissarro, and in the last room more Degas last room, more Degas, Cézanne, Van Gogh, and Gaugin's magnificent Three Tahitians and Late Landscape on Martinque.

The Scottish National Gal-lery of Modern Art brings the story on from 1900 to 1960 with its holdings of work of L'Ecole de Paris which is to stretch the point a bit, for the Paris school in our century has never been the exclusive creature of the French, nor ever a school at all in the sense of any common and sustained principle or example. turies, is indeed the theme. Rather it was what it is no The Scottish museums at short longer, the natural goal and notice have responded to the hint simply and effectively by emphasing and celebrating the rench art already in their collections or on extended loan. Inevitably the most remarks the sustained principle or example. Rather it was what it is no longer, the natural goal and focus of the international Avant forms, and the international Avant collections or on extended loan. collections or on extended loan.
Inevitably the most spectacular display is at the National Gallery of Scotland itself,

fore the First World War, and so we begin with Picasso and Matisse, Bonnard, Vuillard and Fauve Derain, and on to Cubism of course, of which the museum has a strong hand with Braque. Gris and Leger, and Picasso of course ever present. He indeed by his insistent, presence, supplies the thread on which the story hangs, leading us on through Surrealism, with Ernst, González and Giacometti, and into the 1940s and 1950 with Dubuffet, De Stael, Appel and Balthus. It is a clear, straight-forward and enjoyable account (until September 22).

it seems among the *émigré* and oddly the Scottish aristocracies, and his work remains in many collections here, he has been rather forgotten and overlooked. The large painting of Admiral Duncan in the Portrait Gallery's own collection was, however, lately brought back into the light: and the opportunity was taken to clean it and build this delightful and useful little exhibition round it. It is indeed something of a tour de force.
The composition especially lively and the head stated with admirable vigour and directness. (until September 22).

The principal festival exhibi-tion as such, however, is at the Royal Scottish Academy, under the sponsorship of Elf Acqui-tine UK. Colour since Matisse is certainly an interesting presentation of modern French painting of certain kinds, but the interest unfortunately is the interest unfortunately is more particular than general residing rather in individual works for their own sakes than for any broader, common rationale that is established. The problem is that expecta-tions are excited by the title that are left critically unfulfilled. Painters are inclined to use paint after all, which is quite likely to be coloured, and to take Matisse, who really did exploit and extend the pictorial possibilities of colour, as a platform from which to launch a rather mixed bag of young French reputations is a shade disingenuous. Of the younger French painters Helene Dalprat is impressive, with her primi-tive figures flitting through the forest, fraught with ambiguous mythical suggestion, and the line back to Matisse is clear enough: and I also liked in quite another way the flat and loosely stated grids and squares of Simon Hantaf, who also has a show at the French Institute (until September 27). But the real strength of this show, which in essence is two distinct collections, and given its own national bias, this is even so one of the world's great museums in scope and quality, and it is quite addictive. Here, the small and lovely Clouet of Marie D'Assigny (c 1525) apart,

(until September 22).

The French show at the shows, lies at the beginning with the three paintings by Matisse, and four ravishing Bonnards, a Leger, Marquet and Dufy or two, and a lovely, surprising figure from behind, by which the Louvre owns half and



"Intéricure Jaune et Bleu" by Matisse

Villon (until September 21). French Connections at the Royal Scottish Museum, is altogether more successful an exercise, manageable, coherent and to the point. It deals with the judicious Scottish acquisi-tion of French objects d'art since medieval times with the Church the first conspicuous patron: but the emphasis falls naturally upon royal and aristocratic patronage in the 17th and 18th centuries. The museum itself supplies the substance of the show from its own collections, centring its display upon three tableaux, each given to a spectacular service of silver gilt; the Lennoxlove toilet service of the Duchess of Richmond and Lennox, supposedly given her by Charles II and set out here as for the Duchess off to the ball; the quite astonishingly ingenious travelling service by Biennais, which the Princess

is here united for the first tim since 1919, which Napoleon had made for his second wife, Marie-Louise of Austria. There is a wealth of furniture besides and plate, books, porcelain, and pictures, brought in. Rousseon by Ramsay, for example, from the National Gallery down the hill, the Argyle Portraits by Drouais from Inveraray, and the David full-length of Napoleon from Washington (until February A)

(until February 4). Other French shows I can do little more than mention, but the small group of Derain water-colours and bronzes at the Mercury Gallery on The Mound is delightful and should not be missed: small theatrical figures that might be on playing cards or delitware, and delicately primitive masks and reliefs. Just down the High Street, the Stills Gallery has a selection of recent work of the French photographic agency, Sipa-Press, which is also an extraordinary account of the variations upon violence worked by our modern world everywhere it seems from Ireland to Chile, by way of Lebanon, Iraq, India and Cambodia.

Giselle/Coliseum

Freda Pitt

another plane.

Morishita looked more at

home in Act 2, without quite persuading one of her spirit-like condition. Nureyev partnered

her considerately and produced not just a magnificent interpre-

tation but also some remarkably

stylish dancing, notably in his Act 2 solo. Even if the elevation

has departed, and much of the elasticity, too, the strength and

nobility are still very much pre-sent. They have only fitfully

been in evidence in recent years, so Friday's performance

pression, given its full value.

Albrecht has always been one of Rudolf Nureyev's greatest roles — probably his supreme romantic role—so it gave pro-found satisfaction to see him in it on Friday evening at the Coliseum for the second and final production of the Nureyev Festival. He looked miraculously recovered from his recent illness: as soon as he made his entry with springy step and a carefree expression, it was clear that last week's tension and fatigue had been routed and that the prince of Albrechts had of playful tenderness on his part, there appeared to be little been restored to us. artistic rapport between them of the kind that lifts Gisclic on to

Some more recent interpreters of the role — including Mikhail Baryshnikov — have tried (mistakenly it seems to me) to make the character more likeable by implying that Albrecht is truly in love with Giselle and that his engagement to Bathilde is a mere social formality. More credibly, and more in keeping with the original, as well as the Kirov tradition he grew up with, Nureyev paints him as an impetuous, light hearted philanderer, who is only pass-ingly infatuated until the drama of Giselle's death overtakes him.

This drama took on muted tones at the Coliseum, for Yoko Morishita is just not a natural Giselle. In Act I she looked al-together too robustly cheerful. too coquettish and above all too self-assured to convince as a

rehearsed. Indeed, the unifor-mity of the Matsuyama Wilis fragile, innocent peasant girl who could lose her reason and her life as the result of a dis-appointment in love. Even her was almost awe-inspiring, even if again we saw the letter rather than the spirit. In the Peasant dancing was somewhat below par in Act 1, with a surprisingly low-key solo of joy. Because of pas de deux in Act 1, Miyako Yoshida, on loan from Sadler's Wells Ballet, danced with imher restraint and limited expressive range, Nureyev's magnetic presence and noble bearing conpeccable lightness and precision, and Shimizu redeemed the shaky impression left last week stantly drew attention away in the Swan Lake pas de trois. from her, even in the mad scene, which was much underplayed. Despite telling gestures

The autumnal background in Act 1 bore more than a passing resemblance to last week's Swan Lake, Act 1. Again no designer's name was supplied.

Just a year ago the Dance

Theatre of Harlem gave its Creole Giscile at the same theatre. The distinctly exotic aspect of the Duke of Cour-land's retinue now, with some of the fiercely moustachioed men looking as if they belonged to some oriental folk-tale rather than a French ballet, made me idly wonder if it had ever occurred to the Matsuyama or any of their sister companies to stage a Japanese adaptation of the work rather than a slavish copy in which, to Western eyes at least, they must always look dangerously "quaint."

was a really exceptional occasion, with every hand and arm movement, each play of ex-On the other hand, Nureyey could not appear with them in such a rearrangement, and this The production, by Tetsutaro Shimizu and Yoshiaki Tonozaki, had evidently been meticulously is, after all, his festival, as Friday was indisputably his even-

French Music at Edinburgh

Max Loppert

burgh Festival is "The Auld Alliance "-the long-held assoclations and affinities between Scotland and France. In the way this manifests itself in the musical and operatic aspects of the programme, it amounts to little more than a bag of assorted French goodies, spread out without much concern for thematic coherence. But as most of the goodles promise to be good indeed, in the first Festival week especially, the selection deserves to appeal to a wide range of Edinburgh music-followers.

The first three Usher Hall concerts are being given by the French National Orchestra. Sunday's, which opened the festival (and which was broadcast on Radio 3), was conducted and especially prized in this by Charles Dutoit. First, he led context. But beyond that, the cast on Radio 3), was conducted the Edinburgh Festival Chorus performances seemed sadly better standard than the (singing beautifully) in Britten's routine—untidy (in both works drab festival opening.

The theme of the 1985 Edip- National Anthem arrangement there was far too much loose ensemble), unbalanced, above all undistinguished. (rather horrid) and then in Berlioz's Marseillaise orchestration (thrilling even when shortened and without soloists); after this came Debussy's early, awkward, but attractive Scot-

> thing the concert came to any kind of thematic demonstration. For the rest, we had two masterpieces of French orchestral music—La Mer and the complete Daphnis and Chloc. Neither, alas, was performed in a way to merit the description. A French orchestra playing Debussy and Ravel always sheds a certain insight; the density of instrumental sonority and the blend of colour are features that can be recognised

With his own Montreal orchestra Mr Dutoit has made a fine recording of the Ravel ballet; but here he seemed to do little more than drive straight through it—the failure to give dramatic shape to the tish March. As a group these three items were the nearest wordless choruses (despite splendidly accurate singing) was as much a surprise as a disappointment. The finale brought its expected measure of exhilaration—it would be a failed to do that-but on the whole it was hard to imagine that the audience was on this occasion persuaded to value the above its familiar, non-vocal excerpt forms. One hopes the remaining two French National Orchestra concerts achieve a

Monika Krause and Liat Himmelheber in Rossini's "L'occasione fa il ladro"

For its 10th festival, or the Montepulciano presentation and original (the love duet an actress, Carmen Maja "workshop" as it is more demo- was less than ideal. cratically called, Montepulciano Rossini singers (as the Pesaro point). If the singing had been wrong to say that this choice European Music Year by giving again, would be the first, rue- have accepted the hyperkinetic

its rich calendar of events a theme: "Italian Journey," inspired by the journal of Goethe, but equally applicable to the career of Hans Werner Henze, the festival's founder, and, indeed, to virtually all the Montepulciano workshops of the past decade. For in Monte-pulciano it has always been possible to hear artists and music from just about every part of the world. And not only music: here there are always plays (or "theatre events" of undefinable genre), mime photography, fine arts.

In the Montepulciano programme for 1985 opera is represented by two one-act pieces, given on a double bill. Rossini's L'occasione fa il ladro (Oppor-tunity creates the thief) is, after all, about some travellers in Italy, so it has a certain connection with the Cantiere's theme. But, connection or not, it is a captivating piece, not very frequently heard and thus all the more welcome, even if and the invention was constant

William Weaver

Montepulciano Workshop/Italy

fully, to admit) are not easy to production. find: and they cannot be numerous in Germany, from whence this group was im-The voices were underlined the unidiomatic quality of the reading. Monika Krause, the soprano who sang Berenice, has a clear, agile instrument (it would be interesting to hear her in Mozart); the arias came out well, but the recitative was a morass. And the same is true of almost all the others. Antony Beaumont conducted his Studio-Orchester of Cologne with brio; the playing was more enthusiastic than

Unable to rely on interpreters suitable for a traditional Italian-style production, the producer Peter Konwitschny devised a no-holds-barred, free-for-all staging, which, given the premises, worked very well. It was fun,

Many of the same appeared in Busoni's Arlettchino, which was the second half of the bill. Here the artists generally good, but they were were able to sing their own simply not Rossinian, and the language, for the work was sometimes impenetrable accents given in the original German. And the singers all improved considerably. The mezzosoprano Liat Himmelheber, who had been enjoyable as Ernestina, proved an actress of remarkable wit and versatility and an accomplished singer, Karl Fred Elsner (Don Eusebio L'occasione) was a vocally incisive and dramatically significant Leandro; and John Pflieger (virtually incompre-hensible as Rossini's Don Parmenione) revealed impeccable German diction as the Abate Cospicuo. The bass Reinhard Dorn, who did not appear in the first opera, made good, solid impression as

Matteo. For the part of Arlecchino

aggressively masculine, humourless, and — in her assumed baldness - a disturbing lookalike for the Italian Christian Democrat leader De Mita. Here, Konwitschny's invention was again unflagging, but much less original (soldiers got up as Nazis, an after-you-no-after-you gag at the door of the tayern). Antony Beaumont is a leading Busoni authority, and his conducting here was magisterial. The orchestra sounded like a

Now that Spoleto is losing its vigour and its impact, Montepulciano is growing increasingly attractive. Beyond the specific achievement of this or that event, the seriousness of purpose, the real and conveyed love of music, and the absence of any showbiz tinsel make every visit a pleasure.

August 9-15

the visual and aural elements of which metamorphose like those of an M. C. Escher design that seems to turn itself outside out before your very eyes. In the past two months, two of Gordon's ballets have been presented at the Metropolitan Opera House in New York: ield, Chair and Mountain by ABT, and the première of Piano Morers by Dance Theatre. Gordon often pursues certain themes in successive works; his duet. Chair, made for himself different set of players. Within the restricted space of the Teatro Poliziano's stage Klaus Noac created appropriate sets; and his wife, Valda Setterfield, in 1974, might seem to have exhausted all the possibilities of what dancers could do on and around chairs; but anyone who his costumes were in keeping with the productions. saw his Field Study for Extem-porary will know that chairs cropped up there, too.

The title of that piece refers to the composer, John Field, inventor of the nocturne, and the title of the ABT piece makes clear that Gordon is not done with either of these pre-occupa-

structures - of

To a Field plano concerto, the dancers bring on chairs which they use as adjuncts to the ballet partnering whose possibilities clearly fascinate Gordon. In one section, they play a game of musical chairs. The ballerina, Martine van Hamel, and her partner, Clark Tippet, perform a grand pas de deux in which a chair affords additional sup-port. The mountain of the title

American Dance

David Gordon, who has been is one of the elements of Santo a leading figure in the post- Loquasto's decor — after a modern dance since the 1960s, Japanese-style screen has unaround the Hoover was a high Antoni, was used. It would be does not call himself a choreo- furled itself across the back of grapher. He prefers to say that the stage; echoing the lateral as decided to celebrate the Festival, about to open its doors better, the audience might not made the commedia dell'arte his works are "constructed." movement of the dancers in the They are indeed highly complex first section, a vertical panoramovements.

mic backcloth rises behind it,
depicting a mountain landscape
dotted with chairs. objects, often words as well-Gordon's fascination with the

pas de deux continues to manifest itself in Piano Morers, sometimes varied by a pas de trois. In fact, there is a point about midway in the ballet when the eye becomes fatigued by the seemingly endless permuations of couples, and one wishes he would let us watch a solo figure for a while for a while.

But the interest quickens again when the action centres on Karen Brown, in successive duets with Keith Saunders and Donald Williams. In the ballet's best passages, Gordon has found a kind of casual classicism that looks very good on the Harlem

Again, the title can be taken literally—the ballet begins with the dancers bringing on a grand piano. To one's intense relief, no one plays it—there have been too many ballets accompanied by on-stage pianists. The music here consists of recorded piano solos by Thelonious Monk (originally, Gordon intended to combine these with pieces by Field). But the dancers sometimes cluster around the piano. playfully pushing each other off the bench (a reference to an incident in act one of Giselle, perhaps?), and the piece ends with a triumphant group, with some of the women standing on beside the piano arabesque.

"What's special about these Danish companies?"

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Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatra/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts ap-

Opera and Ballet

ayreuth's annual Wagner Festival until August 28. Peter Hall's ring di-rected by Peter Schneider, which made for controversy last year, will made for controversy last year, will see its second full cycle this week. Siegfried Jerusalem, Manfred Jung, Siegmund Nimsgern. Hildegard Behrens, Hanna Schwarz, Jeannie Altmeyer are the most prominent Ring singers. Also the new produc-tion of Tannhaeuser, by Wolfgang Wagner with Guiseppe Sinopoli con-ducting and Richard Versalle and

NETHERLANDS

Strauss's Der Zigennerbaron, with ational cast headed by lvan Rebroff and the Polish Radio Symphony Orchestra conducted by Tibor Pusztal (Mon, Tue). (558800).

ITALY

ome: Terme di Caracalla (Rome Op-era Summer Season): Nabucco in Wolfram Kremer's production conwoman Kremer's producted with Silvano Carroli as Nabucco and Dunja Vejzovic as Abigaille, Turan-dot conducted by Daniel Oren with scensiry and costumes by Silvano Bussetti based on the original de-signs for the opera's first perfor-mance at the Scala in 1928. Gwy-neth Jones and Galina Sauvova and nating in the title role, and Diana Soviero and Miwako Matsumoto in that of Liu (461755).



Gwyneth Jones: alternating with Galina Sayova in the title role of Turandot at Rome's Terme di Caracalla.

Verona: Arena di Verona: Attila conducted by Nello Santi; Aida in a rec-reation of the 1913 production by Giantianco de Bosio, conducted by Daniel Oren. (23 520).

New York City Opera (NY State): Nor ms, the season's first new produc-tion, opens this week, directed by Andrei Serban and conducted by Richard Bonynge, with Olivia Stapp in the title role and Robert Grayson as Pollione. I Puritani returns to the repertory, last seen in 1982, with



Royal Festival Ballet brings back its beautiful staging of La Sylphide on Monday at the Royal Festival Hall SPAIN

> naninoff (Wed), (210508). Sentander, Piaza Portificada, National Ballet of Cuba. Homage to choreog-rapher Alicia Alonso. Programme includes Bizet's Carmen and Adam's

Santander, Plaza Portificada. Mezzo

soprano Elena Ohraztsova, pianist Vozha Chachava: Tchaikovsky and

Giselle (Tue). (21 05 08). Macerata: Arena Sferisterio: Lucia di mermoor, with the American soprano June Anderson in the title role, Angelo Romero and Alberto Cupido, conducted by Michelangelo Veltri, and produced by Mario Cor-redi. Also Aida conducted by Jose Collado with Yasuko Hayashi, Gra-

chesi and Ivo Vinco. (40735/49508).



Martine van Hamel and Clark Tippet

WALK INTO the offices of Surface Electronics on Poole seafront, and the first things you will see will be £150,000 worth of gleaming robotics, precision soldering equipment

and computer hardware. Depending on the nature of your visit, one of five directors will be ready to greet you to discuss authoritatively any aspect of the company's affairs from finance to production, sales, technology or general strategy. The clear impression -unless you should notice that there are only seven employees or glimpse the blurred tyre marks on one corner of the carpet—is of a confident established company with a solid

track record. Yet Surface Electronics only moved into its converted car showroom (hence the tyre marks) five months ago, has never completed an order and does not expect to start making profits until the middle of next

It recently attracted £1.1m from three venture capital groups and the Government. All this is on the strength of its plans to become a leading independent designer and producer of a new kind of printed circuit board (PCB) which is far cheaper, lighter and quicker to produce than conventional

Surface Electronics contrasts style of British start-up venture, whereby a single struggling entrepreneur raises a small sum in the hope of pulling more cash and management once he has proved himself. With its full team of experienced executives and ambitious plans to achieve a turnover approaching £10m in six years, Surface Electronics has a distinctly U.S. flavour and illustrates a type of start-up which style of British start-up ven-ture, whereby a single strug-

But to launch a venture on this scale demands considerable this state demands considerable patience, flexibility and personal maturity on the part of the founders. Surface Electronics is no exception; its experiences show just how important these qualities can be.

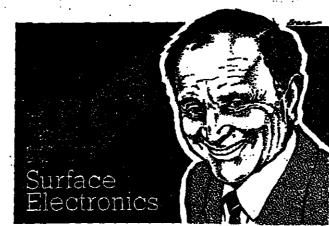
It took two years for the littook two years f

It took two years for the founders to compile a business plan good enough to raise market for their original idea became so overcrowded that they had to change tack and pursue a newer technology.
The germ of their proposal came from David Bishton, a 31-year-old physicist, who looked at one stage as if he would lead the proposal to the proposal to the proposal to the pursue of th the venture. But if Bishton had the venture went of the maturity to accept the need to appoint a more seasoned executive—62-year-old David Boswell — as managing director over his own head, operation," says Bishton. Local to a tenth of the size of continuous transfer of contin

High techology

Starting up on a grand scale

BY WILLIAM DAWKINS ...



After a fruitless four-month

search for a suitable leader among local business contacts, Dr Roger Harding, managing

and consultant to AB Elec-

the money for what they wanted to do." At Boswell's insistence, they

to be mounted on boards down

Surface Electronics' search for banks were less enthusiastic, cash would have been even and to make matters more diffi-tougher. and to make matters more diffi-cult, the trio had no idea how to approach City venture capi-talists. A more experienced hand, they felt, would open doors in important places.

trates a type of start-up which is becoming increasingly sought after by British venture capidelighted with the results. "I asked him about setting up a company to do some of Photo-matrix's orders," says Bishton.

> Waygood was equally excited, so the trio started work on their first written business plan in early 1982, using plans borrowed from friendly entrepreneurs as guidance. There was no question at that stage of any of them resigning their existing jobs until finance was

A year and many meetings in to a tenth of the size of con-

demonstrations that we really began to be taken notice of," says Boswell.

But two local businessmen approached for investment simply failed to understand the process, and the British Tech-

nology Group pulled out at the last minute when the Government told it at the end of 1983 to end its high technology investment activities. The fact that Boswell was asking for as much as £1.1m for a comparatively esoteric technology might also have had something to do with it, though he argues that it would be difficult to break into a capital intensive business like surface mounting on a

began to make full scale presen-

tations with flip-charts, examples of the products and

smaller scale.
Surface Electronics will have spent up to £250,000 on equip-ment alone by the end of this year, and Boswell points out that no customer is going to risk buying from a flinsily financed outfit a product that could outilt a product that could involve changing his own design. "The customer is committing his latest design thinking to us... and therefore we need to have a very commercially sound operation," he says.

By the middle of last year, nine months after Boswell came on heard Hambros Advanced

director of a nearby electronics group and now non-executive chairman of Surface Electronics, put them in touch with Boswell, a former general manager in ITT Components UK on board Hambros Advanced on board, Hambros Advanced Technology Trust, St James's Venture Capital Fund, a subsidiary of J. Rothschild Holdings, and Oakland Management Holdings, agreed to put up £700,000 for 70 per cent of the shares. The Department of Trade and Industry's Microelectronics Industry Support Programme but up more than Boswell agreed to lead the team on condition that they started on a far larger scale and abandoned thick film entirely. "There was overcapacity in the technique they were planning to set up," he says. "They hadn't a hope of getting gramme put up more than £300,000, with the rest coming from the founders themselves who each have 5-6 per cent of

the equity. Surface Electronics is a very long way from proving itself, but the rewards of thinking hig are already beginning to emerge in the shape of £100,000 of orders to be delivered over the next five months. "If we were working in the back of a garage, a lot of those customers would neevr have come to us," says Bishton.

Annual audits

Strong division between two camps

BY WILLIAM DAWKINS

ing a new leader with a new strategy was difficult. "All we wanted was a successful business. We didn't mind how we got it. We liked what David was saying and we needed a general manager," he says.

Not that everything was plain salling after Boswell's arrival. He believes strongly that the way a business plan is presented is just as important as what it contains. "Previously, our contacts were across the table. It was only when we began to make full scale presenattempts to unravel the red tape in which small businesses are entangled can have provoked more controversy than its onslaught on accounting and audit requirements.

The small business com-

nunity has now had two months to digest a far-reaching Depart-ment of Trade and Industry consultative document proposconstitutive document propos-ing, among other options, that small companies should be released from the need to prepare audited accounts for the Registrar of Companies. The first responses received by the DTI show that small businesses, accountancy firms and banks are deeply divided over whether or not to scrap audits, with a clear majority in favour of cutting the amount of information required for com-

pany accounts.

Not surprisingly, accountancy firms have been arguing passionately about it. But it is ironic that only a muted reaction has come from those whom the report is designed to help—small businesses themselves. If a recent poll by accountants Ernst & Whinney. is anything to go by, well over half of Britain's small business managers have never heard of

the proposals. The document has polarised the accountancy profession at all levels. Small practitioners seem to be just as split over seem to be just as split over the issue as big firms. Among the arguments put forward for keeping audits are that they provide an independent check of great value to banks, inves-tors and creditors. "It's like having an umpire in cricket," says Roger Bruce, senior mar-

Whinney. Others maintain that audits are an insignificant bur-den, while being a useful discipline for managers and a pro-tection for shareholders against

sharp practice.
The abolitionist camp maintains that audited accounts are generally too out of date to pro-tect anybody against fraud or to give an accurate guide to the company's current financial health. They contain loads of useless information, it is argued, inhibit companies from buying more useful services from accountants like business advice, and have been successfully abandoned in several other

countries.

If anything is certain in the audit debate, it is that many speakers have popped up on entirely unexpected sides of the table. The Confederation of British Industry's smaller firms-council, an otherwise hard-hit-ting advocate of deregulation, is all in favour of slimming down general disclosure require-ments, but is leaning towards keeping sudits, which many members value as a financial discipline.

The council's views are not finalised yet, but it is likely to argue that it is more important to offer companies the option of avoiding the burden of audit requirements by mak-ing it easier for them to dis-incorporate.

Currently, when an incorpor-

ated company turns itself into a partnership, it has to sell its assets back to the people who run it and then buy in its own shares. That often means that the proprietors pay Capital Gains Tax twice for what is in

NONE OF the Government's keting consultant for Ernst & everything but tax law one consent—to abandon audits, transaction—a situation which though qualified accountants the CBI and several large should be employed to prepare accountancy firms deplore reports for the Inland Revenue reports for the Inland Revenue and other interested bodies.

The Forum of Private Business and the Association of Independent Private Business and the Institute of Cost and Institute of ness and the Association of In-dependent Businesses are still Management Accountants fol-consulting their members, but the signs are that the associa-tion will any form of the signs are that the associa-tion will any form of the signs are that the associa-

the signs are that the association will call for a simplified independent review in place of full audits, while the Forum will come under pressure from its chief executive to keep audits in some form. The National Federation of Self-Employed and Small Businesses, by audite in some form. The Ross and Arthur Andersen, National Federation of Self-Employed and Small Businesses, by contrast, "welcomes anything which is designed to alieviate the burden on small businesses," says its spokesman, Ralph Jackspp.

A strong, but far from universal, groundswell of feeling against the DTT's proposals exists among small accountancy practices, which are traditionally perceived as being heavily denedent on audit work. Yet

doesn't really serve any useful purpose," says Harry Pearce,

vices. A senior partner in another big accountancy firm dismisses the latter arguments as a "myth." He maintains that audit savings would not necessarily be spent on other accountance sarries.

practices, which are traditionally perceived as being heavily depedent on audit work. Yet Henry Seaton, chairman of the London Small Practitioners' Group points out that an audit will on average add no more than 10 per cent to a firm's fee for preparing unaudited accounts.

Henry Moore, a sole practitioner in Surrey, argues that a abolishing audits would create a situation which "at worst... could develop into nothing less than a crooks' charter."

A recent meeting of the Institute of Chartered Accountants in England and Wales's smaller practitioner countillate came to precious the accountancy services.

Others are still consulting eccentancy services.

Others are still consulting detections are shill consulting accountancy services.

Others are still consulting accountancy services.

Others are still consulting accountancy services.

Others are still consulting detections and regional offices before making up their minds. But senior partners in Deloitte Haskins & Sells, Ernst & Whinney, Thornton Baker and Peat, Marwick Mitchell indicate that they are unconvinced by the arguments for litting small company audit requirements.

A recent meeting of the advanced by the arguments for litting small company audit requirements.

A recent meeting of the audits go, while Lloyds finds management accounts a much more useful guide to credit. accountancy services.

anis in England and Wales's more useful guide to credit-smaller practitioner com-mittee came to precisely the opposite view. It concluded that small companies should have would be surprising if it did the right—with shareholders' not join the retention lobby.

In brief...

NEW Technological Developments: A Challenge for Small Enterprises is the title of the 15th European Small Business Seminar to be held at the Grosvenor Hotel, Chester, from October 16 to 18.

The seminar, sponsored by the European Foundation for Management Development, will debate the impact of technological change on small firms and their role in developing new technology. The fee is £200 for foundation members, or £220 for non-members. Other sponsors in-clude Manchester Business

School and the Co-operative Details from David Watkins, Manchester Business School, Booth Street West, Manches-ter, M15 6PB. Telephone 061-

A GUIDE to government assistance available for small enterprises has been pub-lished by Finance for Busi-ness in association with the Institute of Chartered Accountants

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APPOINTMENTS

Finance chief for building society

NATIONAL & PROVINCIAL USA will be Mr Norman Cahners BUILDING SOCIETY has appointed. Mr Terry P. Carroll as general manager (finance) designate from October 1. The appointment has been announced in dent). The chief operating anticipation of Mr Peter Clongh's: executives: 10f 1 The largest retirement from the position of divisions will be Mr Norman Cahners (president), Mr Saul Goldweltz (president), Mr Ron Segel (chief operating officer), and Mr Robert (executive vice-president). The chief operating anticipation of Mr Peter Clongh's: executives: 10f 1 The largest retirement from the position of divisions will be Mr Norman Cahners (president), Mr Ron Sequel (chief operating officer), and Mr Robert (executive vice-president). The chief operating officer) is retirement from the position of division, and Mr William ions National & Provincial from Hope, president, Reed worldwide exhibition acrivities.

Professor John B. Taylor has board of the Burton Group have been appointed director of joined the board of DEBEN-HAMS: Mr L. Cooklin, Mr R. M. & BAKER. He is visiting professor of medicinal chemistry G. A. Slater, Dr R. C. Woodman at the City University, London.



Mr Barry Blackburn, manag-ing director of Nashua Copy-

cat Sawyer, who returns to a senior parietting desirion in the U.S. Mr Blackburn was managing director of the South African

Mr T. B. F. Thompson retires from the board of CEMENT-ROADSTONE HOLDINGS and from the T. B. F. Thompson Group as he wishes to devote his full attention to Garvagh Securi-ties, which recently acquired the ties, which recently acquired the publicly-quoted Hurst Group. Garvagh Securities is an investment company, the principal shareholders of which are Mr Thompson, Mr R. J. Gillanders and Mr K. H. Cheevers, Mr Gillanders and Mr Cheevers, associates of long standing of Mr Thompson, will also retire from the T. B. F. Thompson Group and ioin in the management of join in the management of Garvagh Securities and Hurst. Mr wilson Ervin has agreed to become non-executive chairman of the T. B. F. Thompson Group. Mr Ervin was chief executive of the Northern Bank until his

retirement in 1984. Mr Roger Murray, chairman of Stowe & Bowden, Manchester, has been appointed to the board of the ROYDS ADVERTISING GROUP.

Mr Jim Scott, managing director of J. H. HAYNES AND CO. (main UK operating subsidiary) has been appointed to the board of the HAYNES PUBLISHING GROUP.

Mr A. J. Brightman has been appointed managing director of MERCANTOIL. Mr E. A. Eld-MERCANTOIL: Mr R. A. Eld-ridge has been made executive deputy chairman with full time responsibility for group strategy and development. Mr Brightman was formerly deputy managing director of Lyle Offshore Group. Mr F. G. Savage, managing director of Woodfield Systems, the oil and gas transfer systems.

been formed to bring together the majority of Reed's publishing and exhibition activities in the U.S. This will comprise Cahners magazines and exhibitions, Reeds' worldwide exhibition activities and any future acquisitions. The principal executives of Reed Publishing MKR Holdings.

and Mr W. M. Wood. Mr J. R. Ellium, a non-executive member of the Dahenhams: board has appointed a mon executive resigned.

MENTS.

Mr Graham B. Mackenzie and Mr Sidney Taylor have been appointed to the board of the TI GROUP. Mr Mackenzie is chairman of Ti's UK steel tubes businesses and joined the group in 1967. He was seconded to the Government Central Review Staff between 1981 and 1983. Mr Taylor is chairman of TI's automotive. components businesses appointed the group in 1977.

Y. J. LOVELL (HOLDINGS) has appointed Mr Dong Blyth as joint managing director of Walter. Lily and Co. He will join Mr Berchants operations George Wimpey. Mr Heppell is succeeded by Mr David Horner as managing director of Walter. Lily and Co. He will join Mr as managing director of United the past seven years, on January 1, 1988. Mr Blyth is currently managing director of Lovell Construction (Midland).

Mr Barry Blackburn has been appointed managing director of Lovell Construction (Midland).

Mr Barry Blackburn has been manager of Monteith Building Services. He was previously manager of Monteith Build

Following the pending retirement of managing director, Mr Ken Pengelly, Mr David Endacott has been appointed chief executive of Drinkmaster, the drinks vending division of the Initial Group. He was with ARA Services Services.

MANDARIN ORIENTAL
HOTEL GROUP has promoted
Mrs Clemencia Cardozo Wiese
to vice president regional
'sales—UK/Europe/Africa. She
moved to London in early 1984
as regional sales director—UK/
Europe/Africa.

COUNTY BANK has appointed Mr Peter Lyen as a director of its investment subsidiary, County Bank Investment Management. He was formerly with Scrimgeour Vickers and Co. AITKEN HUME INTER-NATIONAL has appointed Mr Michael Reld managing director of the group's UK investment



Mr Mike Reid, managing dir-ector, Aitken Hume Funds

Hume Finds (Management) and Aitken Hume Portfolio Manage-ment. He was previously market-ing director of Reed Stenhouse Financial Services.

Mr Derek C. Morrison has been appointed managing direc-tor of SEAGRAM RETAIL, the company with overall control of Oddbins and Gough Brothers. Mr Morrison joins Seagram from Thresher and Co, where he was managing director.

DRG has made Mr R. D. A. Clark a director from September 1. Mr Clark will be responsible for DRG's packaging business group and UK paper mills. He is currently responsible for DRG's bulk packaging operations and paper mills.

Mr John Cruickshank, has director of Woodfield Systems, the oil and gas transfer systems division of Mercantoli, has also been appointed a director of Mercantoli. Mr F. Saunders who has transferred to the Unilever subsidiary UAC Interhas been appointed company.

**

REED PUBLISHING USA has been formed to bring together

Mr John Cruickshank, has been appointed as financial controller of LEVER INDUSTRIES. He replaces Mr Alan Johnson who has transferred to the Unilever subsidiary UAC Interhas been appointed as financial controller of LEVER INDUSTRIES.

He replaces Mr Alan Johnson unilever subsidiary UAC Interhas has been appointed as financial controller of LEVER INDUSTRIES.

He replaces Mr Alan Johnson unilever subsidiary UAC Interhas has been appointed as financial controller of LEVER INDUSTRIES.

Changes at Lee Beesley

The Lee Bresley Group as director and general manager. Mr Harry Smith, previously with Lee Beesley Mech & Elec, has been appointed managing director for Twyver Switchgear, the manufacturing division. Mr Robinson comes from Elequip, where he held an executive position. Mr John Keogh has been appointed director in charge of the southwest division which includes the Merthyr Tydfil, Gloucester and Bristol regional offices. Mr Keogh, who has taken over from Mr Peter Tomkins, southwest, divisional managing director who resently took early reffrement, was director and general manager of Lee Beesley Mech & Elec, Wasail. Mr Effe Cook, contracts manager of the Beesley Mech & Elec, Wasail. Mr Effe Cook, contracts manager of Lee Beesley Mech & Elec, takes over Mr Keogh's position

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Tuesday August 13 1985

Dilemmas of two Davids

British politics is the boredom factor: or, to put it another way, the tendency to concentrate on isolated events, the nine — or even one — day vonder rather than the continuum. Judged by such stan-dards, the Alliance of Liberals and Social Democrats does not come out too well. It shines in by - elections, periodically flourishes in the opinion polls, but has not yet made a decisive breakthrough.

Taking the longer view, how-ever, the prospect looks rather different and the Alliance could be said to be at least on course. There has been a move towards a third party vote in Britain since the Liberals began their resurgence in the late 1950s, even if it was of the three steps forward, two steps backward variety. The formation of the Social Democratic Party and the subsequent emergence of the Alliance have reinforced that process, especially, but not only, at by-elections.

To provide a key illustration: the argument about the wasted vote has lost much of its vali-dity. It used to be claimed that vote for the Liberals was vote thrown away. It was a risk worth taking — a protest — at by-elections, perhaps particularly if the Tories were in office. Yet at a general election voters tended to revert to their original party for the Liberals were judged to have no chance of winning.

Under the Alliance that can be no longer taken for granted. At the general election of 1983, the Liberals and SDP together won around 26 per cent of the vote, though only 23 seats in a parliament of 650 members cause of the workings of the first-past-the-post electoral sys-tem. Given existing political trends it is not unduly difficult to imagine them winning (say) just over 30 per cent of the vote next time and perhaps 50 seats. That would be more than sufficient to keep the Alliance

The converse, of course, is also true. Anything much less than that would suggest that the joint venture had failed and would be almost certainly the end of the two Davids, Owen and Steel, respectively leaders

ONE OF the curiosities of Alliance can do to increase its momentum between now and the next election. Some of its supporters sometimes seem to be its own worst enemies. There is an excessive amount of in-ternal debate about the relationships between the two parties. Should they merge, and if so, when? Should they have a single leader before the election takes place? Which David should it be? Which is the dominant partner, the Liberals or the SDP?

Such questions are very largely irrelevant to the wider political debate. The attraction of the Alliance is precisely that it is an alliance: two parties ready to come together in a common cause. A merger at this stage would be utterly artificial, quite apart from the practical difficulties of rewriting the parties' constitutions.

Intelligible

Equally, the desire of the two leaders to maintain separate identities for the time being should be well understood. The Liberals, after all, have a left wing — minus the trades unions - reminiscent of when that which caused Dr Owen to leave the Labour Party. Mr Steel is probably genuinely to the left of the SDP. It is an electoral pact, not a common

As for a single leader, moment's thought should make it clear that it is out of the question at present. Which David would stand down? Quite the best and most intelligible thing to do would be to wait and see which party wins the most seats in the next

The task for the Alliance in the next two years is to show how it differs distinctively from the possibly mellowing Toryism of the later stages of Mrs Thatcher and the growing revisionism of Mr Kinnock's Labour Party. Labour ran the Liberals pretty close at the by election in Brecon and Radnor and no doubt some protest votes will return to the Tories at the general election.

What we need to hear from the Alliance is less about internal organisation and more about the kind of society it would like to preside over, and how. At the moment, there is

France's long travail goes on

the first, disastrous errors of the Mitterrand regime does great credit to the determination shown since then. Growth is cumulatively still above the OECD average, although it seems likely to be painfully slow in the immediate future. Inflation has been more than halved to a little over 6 per cent and a further reduction looks achievable. The current account has been restored to balance and both internal and external debt is on a manageble scale. Unfortunately, there is still a long way to go. Com-petitiveness has been eroded in spite of large gains in productivity; the economy and especially the labour market is still beset with administrative and other rigidities, while unemployment, which is much higher than the painful official deures succest once early retirement and other palliatives are counted, seems unlikely to

fall, Worst of all, luck and political time are both running out. The excellent 1984 harvest, which did much to boost national output and consumer spending power, is likely to be succeeded by a pretty dismal one; this fact, and a trough in deliveries of the Airbus, will probably make the current account look fragile again. This will only increase the difficulties of a government which is determined if possible, to defend the existing franc-parity within the European Monetary System — at any rate until after the elections next

Profit margins

Meanwhile, private sector investment, which has been re-covering in one or two industrial uninspiring outlook for the domestic market but by un-certainty about policy after those elections. which seem likely to produce an assembly opposed to the President but divided among right-wing factions. Even the decline of the France as a major oil importer. will put pressure on profit which has been the one difficult to do gymnastics in a dynamic sector, after they had straitjacket, and it is notable been painfully restored through that in some countries—notably.

lahour shedding.
This is a forbidding picture

FRANCE'S recuperation since somewhat similar as North Sea oil production declines from its recent peak. In both countries, the political race could prove to be a struggle to win a poisoned chalice; meanwhile, both governments are inhibited by electoral considerations from doing what economic analysis might suggest would be effective.

The OECD survey of the

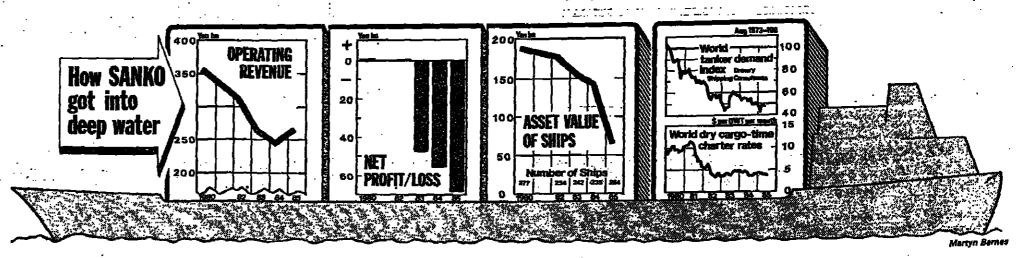
French economy clearly recog-nises these political realities in concluding that the Government should simply stick to its pre-sent policies. In an ecnomists' ideal (non-political) world, the recommendations would clearly be rather different. There is a clear economic case for a modest exchange rate adjust-ment (and here the dollar decline affords a relatively pain-less opportunity); and equally clearly, any fiscal relaxation would do more long-term good if it were concentrated on cut-ting social security charges, which are a heavy burden on which are a heavy burden on industry, rather than reducing France's not too burdensome taxes on personal income. Politics will produce the wrong Answer to both these questions.

More encouragingly, the
Government does seem willing
to press on with its slow but
determined decontrol of the
French economy—2 change
which Britain has been able to achieve relatively painlessly with the aid of oil revenues. The subsidies and price controls which slow down investment and change in the industrial sector are going by stages, though the service sector re-mains in a tight administrative

The OECD is more concerned with remaining wage rigidities, though under the existing re-straints indexation has already sectors but remains weak over-all, is hampered not only by the gone, and bargaining is being pushed out progressively to the enterprise level. This pre-occupation seems partly to spring from a reading of the statistics, which show that French wage increases are pretty unresponsive to market

This does not seem too helpful. It is not altogether realistic to call for restraint and fleximarrins in the export market, bility in the same breath-it is been painfully restored through that in some countries—notably, cuts in real wages, reinforced by again, the UK—wages are still more statistically out any controls. The sad fact after so much effort—not least is that, like smoking, "going for British readers, who may reflect that some of their own habit to break, whatever the prospective problems may look health hazards.

SANKO STEAMSHIP



The hole in the safety net

By Carla Rapoport in Tokyo

bankruptcies are remarkably rare, the largest corporate collapse in post-war history seems set to take place. Executives of Sanko Steamship, the world's largest tanker operator, are expected to appear today at a district court in Kobe, Japan, and apply for court protection under a section of the country's bankruptcy

A somewhat maverick privatesector business with a wide spread of Japanese institutional investors, Sanko claimed its first political scalp yesterday when Mr Toshio Komoto, Sanko's largest individual share holder and a top cabinet minister, submitted his resignation to Prime Minister Yasukiro

But Sanko will deserve a spot in the history books for more than the size of its debts —

Speculation as to why the bankers' pulled the plug is rampant

Y520bn (£1.6bn) in bank debts and another Y550bn of non-bank liabilities — and the importance of the political personalities it may swamp. Sanko's story is one of an

almost pathological self-confidence, built on more than just its business acumen. Thanks 10 powerful domestic political allies and the high regard eccorded to Japanese firms internationally, Sanko was able to inspire some of the shrewdest minds in the banking, shipping and trading industries with the same self-confidence. Over the next few months, many of these people will be beating their well-groomed heads against a supported Sanko for so long and for so much.

The answer to this question is two-fold. First, both inside and outside Japan there persists a belief in the Japanese safety net, a loosely-formed organisation of government officials and business executives, sometimes known as Japan Inc. which

A country where big threatens or opportunity nkruptcles are remarkably beckons a major company or the largest corporate industry. The second part of the second part of the second part of the extraordinary parious state of the world ship-ping industry.

Taking the notion of Japan Inc first, Sanko's problems demonstrate that if such an animal exists it is more passive than active. Few companies could have had such powerful political friends as Sanko. The company's founder, Mr Toshio Komoto, has been a top Japanese cabinet minister on Japanese cabinet minister on and off over the last ten years, a former head of the Ministry of Trade and Industry, and the leader of a faction in the ruling Liberal Democratic Party after leaving Sanko, Japan's Minister of Transport, Mr Tokuo Yamashita, is a member of the same faction and a close ally of Mr Komoto. "No one politician could

shift this problem. It's an economic problem, not a political one," said an official close to the crisis yesterday Various government schemes to help ball-out Sanko — under the guise of helping the depressed shipping sector—are still under consideration. But as far as Sanko's main bankers are concerned, these schemes could not pull Sanko out of the

The safety net fell to pieces less than two weeks ago when Sanko's main bankers met and decided that their Y5bn-a-month in life-line cash infusions must come to an end by the end of August. This money was allowing Sanko to pay its crews and fuel its ships. Sanko had been effectively bankrupt from last March, with only the largesse of its major bankers keeping it afloat.

Speculations in Tokyo as to why the bankers pulled the plug is rampant; some say that Bank, the leading creditor, is now strong enough to absorb a large write-off.
Others say that the banks
realised that Mr Komoto no longer had the clout to engineer a bail-out scheme. The banks themselves yesterday were making no comment but what-ever their reasons, their action the Japan Inc theory.

Yet Japan's post-war cor-porate history has been notable for the role played by banks (and the government) in sus-

taining important troubled com- had recovered last year, Sanko panies. The major corporate failures of the last year alone - J. Osawa, the trading com-pany, and Riccar, the sewing machine concern — were marked by the fact that neither enjoyed the backing of a promi-nent Japanese "main bank,"

This, intriguingly, was not the case with Sanko, whose princi-pal bankers are Tokai and Daiwa, sixth and 10th largest of the big "city" banks, and the Long Term Credit Bank, one of the three big institutionalised providers of corporate finance. It appears exceptional that such influential finance houses should have decided that enough was enough.

The shipping side of the story breaks a few shibboleths as well. In a country where the trading companies which were words: "to take a gamble" are only too glad to finance the pejorative, Sanko took just ships against the "security" of about every one in the book. long-term charters negotiated The company pushed the ship-ping game to its outer limits. If for these ships, it is believed the market for ships and caree from hungary foreign. the market for ships and cargo

would today be celebrating.

The shipping business is more than just moving cargo around the globe. A major aim is to buy and sell ships at a profit, as well as making money from the mundane business of shipping goods and chartering ships.

In 1982, Sanko found it was not making money in any of those areas in its tanker business and was already in deep debt to its banks. So a rescue scheme was put together to move the company into the dry cargo, bulk carrier business. The gamble was that Sanko could commission a new generation of ships cheaply, undercut the competition and make good profits.

Sanko found ready backers among the Japanese leasing and

SOME KEY DATES FOR SANKO

1931-Sanke Kalun (skipping) company founded. 1937—Toshio Komoto, then 27 years old, and fresh from Nihon University, became president. Under his aggressive leadership, Sanko's shrewd moves in both the tanker chartering market and stock market in the 1960's brought it into the top rank of the world's tanker operaor the world's tanker opera-tors. Revenue from non-shipping business sometimes topped that of the shipping side. Because of its akilled speculation on the stock market, the company earned the nick-name of "Sanko Securities" Securities."

1972—Sanko acquired 41 per cent of Japan Line in the biggest takeover bid in Japanese corporate history. 1972—Sanko's share price hit all time high of Y2,560. In the short span of two years from 1971, Sanko increased its share capital four times through the placing of new shares with third parties such

panies. 1974—Komete resigned from the presidency of Sanko and

took over the post of the Minister for International Trade and Industry (MITI) in the Miki cabinet. 1983, April — Plan for 125 new ships accompanied by business reconstruction plan

huge debts of Y296hn. 1983, Jane-October — Sanko tapped the equity market twice to issue new shares at price of Y230-Y240. 1984. April - Business recon struction plan — rescheduling of debts of Y290ba. 1985, February — Credit crisis hits Sanke . . . Sanke's share price down to Y63. June, 1985 — Mr. Yoichi Akishino becomes president of Sanko. Liabilities almost exceed assets in the year euded March 1985. Sanko's reached Y212bn. exceeding net assets by Y46.39bn. August 7, 1985—The Ministry of Transport gives up the plan to buy up idle tankers.

August 8, 1985 — Three main banks have reached an agree-ment to stop extending new August 9. 1985 — Sanko

share price falls to Y42.

others. Under the scheme, 125 bulk

carriers at about Y3.2bn each were ordered in mid-1982, to were ordered in interest ship-building yards. Ironically, Sanko's bold move prompted others in the industry to begin building, thinking that the Japa-nese must have a reliable crystal ball. When the ships were built a year or so later, sanko claimed it could break even on charters for about \$6,500 a day, a super-reduced rate thanks to a two-year mora-torium from the banks on the principle of the debt for many of the shins

Sanko was wrong. Within weeks of the new ships arrival in the marketplace, chartering rates slid further. The current rate for the bulk carriers is now about \$3,500 a day, less than half the break-even point, which went up to \$8,000 to \$9,000 a day when the banks moratorium came off. With about 95 of the ships finished and operating, it is simply a matter of multiplication to see the rate at which Sanko has been bleed-

The shipping industry is in a lifeboat, with every man for himself," said a shipping execu-tive yesterday. "For every one company like Sanko, there are nine other companies just as badly off. The banks are in an invidious position. The ships are worth nothing if they aren't operating, but the earnings of the ships don't even cover the cost of keeping the crews on board."

On top of the Y520hn it owes to the Japanese banks and institutions, Sanko is estimated to be responsible for another Y550bn in so-called "non-book" liabilities, which include its commitments to long-term freight charters as well as other financial liabilities related to the 125 bulk carriers.

to have lent that money were not answering their phones yesterday and it may be some time before the full impact of the Sanko affair is known.
While Sanko read the market wrong, so did a number of large banks. The rest of Japan's shipping

industry is now waiting nervously to see if Sanko's

owned banks in Japan, including problems will damage their Citibank, Chase Manhattan and standing internationally. The Sanko ships are not ex-pected to become a drag on the market, but are likely to be absorbed into the sector bit by bit. Those trading companies, left with bulk carriers, for example, are likely to present them to affiliated shipping com-

panies which will probably absorb them into their own fleets. Sanko's tankers are expected to be sold in the world marketplace or scrapped. The Sanko news, meanwhile, caused few immediate ripples on shipping markets, which have long grown used to its awesome financial problems. Shipbrokers in London expected little immediate impact on tanker or dry cargo freight rates, which have been weak for some time. But some felt the long-term

consequences could be frighten-ing. "We've never seen anything in our lifetime like it," said one

The latest and the worst of a string of shipping upsets

broker. Another, less exercised about Sanko's fate, described it as "a cloud over the sun which has been coming for rather a while."

Mr David Price, a dry cargo analyst with Drewry Shipping Consultants, said the main effect could be felt in the sale and purchase market, where values have already

Sanko's is the latest but by far the worst of a string of recent corporate shipping upsets that have included Irish Shipping, Salen of Sweden, and Reardon Smith of the UK. Those chartering shins to carry cargoes would now look very hard at their owners, said

Under the corporate rehabilitation law, it may be a month or two before the final fate of Sanko's assets and Habilities are known.

McCarthy pedals to Kleinwort

Callum McCarthy does not wish to be seen as yet another mandarin selling his soul to the

city. But McCarthy, who private secretary to Norman Tebbit the trade and industry secretary until being promoted to under-secretary earlier this year, is leaving none the less, join merchant bankers Kleinwort Benson.

Rleinwort Benson.

He has been close to Tebbit and it is thought in the DTI that he may have discussed the Kleinwort's offer with his boss. And perhaps Tebbit gave him the usual advice "On yer bike."

Is McCarthy doubling his salary? Trebbling it? Looking forward to 'a wad of "hello

The department yesterday would only say that he will be getting "appreciably more" than his current under secretary's salary of some £31,000.

The main reason for Macarbuse from McCarthy's departure from Whitehall for the City, however, is that he feels the relationship between the effort people put in and the tangible results

becomes more and more diffuse the higher up the civil service hierarchy you go. He has been



"First question-are you an-Industrial Society?"

Men and Matters

is that deputy secretaries in Whitehall actually do — given that the good ones know how to delegate, and the decisions on highly charged subjects are usually taken by ministers these

days.

Evidently he feels he will have more scope for action at Kleinwort's where he will be a fireful in the an assistant director in the corporate finance sector.

corporate finance sector.

McCarthy was the civil servant in charge of the privatisation of British Aerospace in 1981—a job he is said to have enjoyed greatly—and Kleinworts were the merchant bankers for the sell-off.

McCarthy also had a Sloane Fellowship at the Stamford Graduate School of Business in California. The civil service California. The civil service contributed largely to the cost of the one-year course on condition that he made no move to leave Whitehall for at leas wo years. That was three years ago.

Air-tight

Most parliamentary bodies, I would have thought, hardly suffer from a shortage of hot for the U.S. budget deficit. in the good old days, he points out, Congress used to

flee Washington as soon as the capital's notorous summer weather started to run hot and steamy at the end of May. Now, it sits until early August, giving it over two months more to think up new ways of spending the taxpayers' money.

The rot set in, according to Baker, when air-conditioning to sell. was installed on Capitol Hill in

has almost invariably been in deficit.

cooling system on May 31 every year and drive members back to their constituents to be lee tured about the evils of budget deficits and over-spending.

Closing sale Wallace Mackenzie, group managing director of Slough Estates, Britain's biggest industrial property company, has been given the job of selling off the Greater London Council's surplus property "for the benefit of ratepayers" after the GLC is abolished next Esster.

Mackenzie. aged 64. a mem Mackenzie, aged 64, a mem ber of the New Towns Commis-sion and a director of Investors in Industry, will be paid £12,000 a year for a two-day week as a member of the Residuary Boady appainted by the Contemporary appointed by the Government to wind up the GLC's affairs. The job could occupy Mackenzie for up to five years. Files on the GLC's property cover more than four miles of shelves at County Hall, which itself will be the prime piece of real estate in the portfolio There have been suggestions that County Hall, on the south

tired as Senate Republican that County Hall, on the south bank of the Thames, could be heves there is not enough of it in the U.S. Congress.

Baker, indeed, thinks that it extra accommodation for over-Baker, indeed, thinks that it extra accommodation for overis cold air that is responsible crowded MPs in Westminster. Who will end up with such notable London landmarks as Covent Garden markets, Kenwood House on Hampstead Heath, or indeed, the Heath itself, seems to be anybody's guess at the moment, It is not clear yet just what GLC properties will be transferred to the London boroughs. but Mackenzie will certainly have millions of pounds worth

Three other part-time mem-

bers of the Residuary Body, headed by former Sutton Tory leader, Sir Godfrey Taylor, were announced yesterday. They are Alan Blakemore, former chief executive of Croydon council; Jack Wolkind, former chief executive of Tower Hamlets council; and Jack Esling, retiring personnel director of the Thames Water Authority, whose task will be to sort out around 5,000 redundant GLC staff.

Slow time

British Rail chose the wrong day yesterday to indulge in a asy yesteracy to induse in a little boasting.
"Time-keeping — Nine out of 10 withing five minutes" trumpeted a press notice. Western Region published figures showing that almost 90 per cent of its passenger trains. per cent of its passenger trains reach their destinations on time, or within five minutes of

schedule.
Pity then that the Western Region railwaymen chose yes-terday for a series of instant strikes, with the result that only one in three London com-muter trains ever made it into Paddington.
The region's first driver-only

freight train was shunted into a siding as railwaymen refused to handle it. Within hours the cheerful notice about time-keeping was followed by a dire warning of "serious overcrowding and long delays," while guards, drivers, and signalmen fight BR attempts to make guards re-dundant by introducing one-

Watershed

man trains.

Glad tidings from Holt Lloyd International's latest report and accounts: "In Australia," it reports, our factory was flooded just before we were due to move to new premises. The exceptional efforts of our employees ensured that our nw unit came on stream as planned and as a result, we have been able to maintain a strong position in the market-place."

would just have let things drift,

BASE LENDING RATES A.B.N. Bank 111% = Hill Samuel\$111% Allied Dunbar & Co. ... 111% C. Hoare & Co. 111% Allied Irish Bank 11;% Hongkong & Shanghai 11;% American Express Bk. 111% Johnson Matthey Bars. 111% Henry Ansbacher 111% Knowsley & Co. Ltd. ... 12 % Amro Bank 111% Lloyds Bank 111% Associates Cap. Corp. 12 % Edward Manson & Co. 121% Banco de Bilbao 11:3% Meghraj & Sons Ltd... 11:3% Bank Hapoalim 111% Midland Bank 111% BCCI 111% Morgan Grenfell 111% Bank of Ireland 111% Mount-Credit Corp. Ltd. 111% Bank of Cyprus 111% National Bk. of Kuwait 111% Bank of India 111% National Girobank ... 111% Bank of Scotland 111% National Westminster 111% Banque Belge Ltd. ... 111% Northern Bank Ltd. ... 111% Barclays Bank 111% Norwich Gen. Trust ... 111% Beneficial Trust Ltd... 121% People's Trust 121% PK Finans, Intl. (UK) 12 % Brit. Bank of Mid. East 111% ■ Brown Shipley....... 111% Provincial Trust Ltd... 121% CL Bank Nederland ... 111% R. Raphael & Sons ... 111% Canada Permanent ... 11198 Roxburghe Guarantee 12 % Cayzer Ltd. 11198 Royal Bank of Scotland 11198 Cedar Holdings 12 % Royal Trust Co. Canada 111% Charterhouse Japhet... 11:3% = J. Henry Schroder Wagg 11:1%. Standard Chartered ... | 114% Choulartons** Citibank NA 111% Trustee Savings Bank 111% Citibank Savings 123% United Bank of Kuwait 111% City Merchants Bank 111% United Mizrahi Bank... 11196 Clydesdale Bank 111% C. E. Coates & Co. Ltd. 12 %

Westpac Banking Corp. 11196 Whiteaway Laidlaw ... 12 % Comm. Bk. N. East ... 111% Williams & Glyn's ... 1119 Consolidated Credits ... 111% Co-operative Bank 1119 Yorkshire Bank 1119 The Cyprus Popular Bk. 111% Members of the Accepting Houses

Duncan Lawrie 113% Committee,

E. T. Trust 12 % a 7-day deposits 8.00%, 1 month Exeter Trust Ltd. 12 % 8.50%. Top Tier-22,500+ at 3 First Nat. Fin. Corp... 13 % monthly notice 11.25%. At call First Nat. Secs. Ltd. ... 13 % † Call deposits £1,000 and over 8% gross.

Robert Fraser & Pins. 121% | 21-days deposits over £1.000 E Guinness Mahon 111% 7 Morapege base rate.

Hambros Bank 1119 ** See Provincial Trust Ltd. Heritable & Gen. Trust 111% & Demand deposits 8%.

Letters to the Editor

A need to look to the future

From Mr H. Atherton From Mr H. Atherton

Sir,—While Michael Prowse's article on wages and jobs (August 9) was in most ways a timely nudge in the right direction, he signally fails to distinguish between "employment" and "unemployment."

A friend once said that we needed another word for "unemployment." and suggested "funemployment." Until politicians and, for that matter, the rest of us face up to the fact that "employment," as we have come to regard it is an elaboration. and "unemployment." come to regard it, is an historimaterially, from what we call
ments will remain invidious.

"employment" were to be We all need to look forward to a future for our children in one button by one man (or which life fulfilment centres on woman) each week, the division of the spoils is a political or social problem. Conversely, if we all have to graft for ourselves to live, it is not. We are always somewhere between the two and moving inexorably towards the former.

to a future for our children in which life fulfilment centres on values which are less connected to the earning of a crust and a cake; those of us who are lucky enough to have the choice, that is.

H. S. Atherton.

33 Tudcaster Road, Dringhouses, York

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i gon

CCC

Defence industry profits

From the Chairman,
Hunting Engineering and of the
Joint Review Board Advisory

Contractors, that has gained most over the years from fluctuations in inflation. Calculations has a fourse provided Sir.—I write on behalf of the JRBAC, which is comprised of representatives of the major defence contractors, the Confederation of British Industry and those trade associations with particular interest in government contracts. The JRBAC represents the defence industry on matters referred to industry on matters referred to the independent review board for government contracts. We have heard much of the £220m so-called windfall profits

Dringhouses, York

The introduction of an annual rather than triennial review of the target rate with effect from April 1 1984 will mean that in future neither the contractors earned by the defence industry in the period 1980 to 1984; on nor the Ministry are so exposed to fluctuations in the rate of

In the period 1989 to 1982; on July 25 it was reported by you to fluctuations in the rate of inflation.

The purpose of this letter is simply to put the past record straight by using statistics for all the years covered by trieninflation was higher than that anticipated in cetting the tracet. anticipated in setting the target biased sample related only to profit for government non-competitive contracts. As a result it is the MoD, not the 103 New Oxford Street, WCI.

Accounting for small firms

From the President, Institute of Chartered Accountants in England and Wales

Sir,—Mr James (August 5) maintained that the Institute of Chartered Accountants was the institute's council will meet applying pressure for "the on September 4 to determine its retention of audit requirements formal response to the Governfor small firms, albeit in a ment's proposals.

bers, both in practice and in industry and commerce, to determine their views on accounting and audit requirements for small firms. Armed with the results of that exercise,

for small firms, albeit in a reduced form."

I challenge Mr James to produce his evidence—or. better still, his crystal ball, The true position is that the institute is B. G. Jenkins, undertaking an extensive consultation exercise among main-

Profit and loss-and cash

faith in the gospel of any set of
numbers given in a profit and
loss statement—but with differing accounting conventions and
differing rates of inflation one's

-and, where the situation has
been complicated by acquisitions and disposals, the whole
thing becomes totally undiffering rates of inflation one's ing accounting conventions and differing rates of inflation one's faith eventually becomes undermined. With old age, therefore, comes an increasing reliance on things that are green, foldable and can be counted. Unfortunately, however, the massive volatility which we have suffered recently in exchange rates is going to make a nonsense even of source and application of funds statements where the "single column" convention is used, because shareholders will have no way of differentiating between those movements in successive balance sheets which are real conventions and the property of the statement of the statem

Hazardous waste disposal

From the Deputy Director, Company and Environmental Affairs, Confederation of

practice.

The real source of the prob103, New Oxford Street, WCI.

Trade union movement

From Mr A. Ross.

Sir,—In your leader of Angust 5 you state that a possible consequence of a fission within the British trades union movement would be to create "perpetual competition" between the "reformists" and others, and you draw a comparison with the French comparison with the French comparison with the French unions. Perhaps the British unions should take heed.

What you fail to mention is the fact that the support for the far left ideological union in France, the CGT, has been take need.

Andrew Ross.

287 Dalkeith Road, Edinburgh.

Density of tourists in Vienna

Sir,—Your report August 8, economics, to describe a curve showing the relationship between the density of tourists.

Vienna, which is full of tourists, ween the density of tourists and the price of Austrian hotel tourists.

rapidly dwindling in recent

High incomes carry high risks about salesmen (and saleswomen) receiving large incomes. Like incomes in the entertainment industry they are performance-related, the new formance-related, the new formance-related. performance-related, the per-formance of salesmen being formance of salesmen penus their ability to enhance markedly the profitability of markedly the profitability of amployers.

**Top people's " salaries are not performance-related, and the security of their position the security of th I should be surprised if the young lady's £50,000 (July 31)

CHAIRMAN

VERY NICE SIR, BUT IT'S

THE COMPANY'S PERFORMANCE
TO WHICH YOUR
SALARY IS
RELATED

Tax-free perks-abolish them

nlikely to be maintained. 100 High Street,
Many of the large salaries of Great Abingdon, Cambridge.

From Mr S. Denby

Sir,—Mr E. R. Gillett (August
6) raises quite a number of
questions regarding the vexed,
wondered if perks contravene rampant problem of tax-free the Truck Acts.

perks. Isn't it time this prac- S. R. Denby.

tice was totally abolished so 37 Silverdale Ave, that the simpler and fairer sys-

was not a performance-related "package." If her sales are disappointing her income is unlikely to be maintained.

flight is 50 per cent of the actual sum. We normally only travel stand-by and there are frequent

contrasts sharply with the precariousness of that of the

salesman -- or even the chair

man. J. D. Tunnicliffe.

From Mr J. Kent
Sir,—With reference to the letter from E. R. Gillett on perks (August 6) I work for an to staff, discounts to travel perks (August 6) I work for an to staff, discounts to travel airline and his figure for a agency employees and cheap cars to motor workers? should these not be taxed also if Mr Gillett has his way? embargoes on certain routes. John C. Kent. At least we contribute some- 122 Harbord Street, SW6.

Motivating management by money

From the Chairman British Institute of Management age of winning commitment to Sir,—The British Institute of the job. A study of some 2,000 schemes are being more widely

From Mr A. Phones

Sir.—In adolescence one places a naive and touching places a naive and touching faith in the gospel of any set of numbers given in a profit and has complicated by a complex c year against £39,800 (sterling leadership than that equivalent in the United States, and £36,700 in France.

Management House,

nd £36,700 in France.

But financial incentives are Management House,
Parker Street, WC2.

no substitute for the total pack-Management has widespread managers showed that they are evidence that money incentive as much, if not more, concerned about the nature of their used to motivate managers, as jobs than about financial Michael Dixon pointed out rewards.

(July 31). And a good thing too.
While BIM's management must take a hard look at our salary survey showed that pay has risen by an average of 10.6

Wewards.

The message is clear. We must take a hard look at our performance feedback systems and career structures. It is a per cent in the last 12 months, mistake to think that financial

When ships are on the high seas they are not subject to any country's tax jurisdiction. Thus, they can sell goods to their passengers without collecting or paying any taxation. When passenger aircraft came along as a means of transport, it was suctified representatives have repeatedly drawn attention to the ships are on the high seas they are on the high seas they are on the high seas they are not subject to any shop, they have a higher than average purchasing power, and the high seas they are not subject to any shop, they have a higher than average purchasing power, and they can sell goods to their passengers without collecting or proportion will be faced with their last big opportunity to means of transport, it was suctional representatives have repeatedly drawn attention to enforcement of licences for waste disposal sites. The industry Sir. — The House of Lords select committee is quite correct in drawing attention to the unsatisfactory practices at some landfill sites for the disposal sites. The industrial representatives hazardous waste inspector reported in June that the attitude of those involved ranged "from the local authorities conterned, although it is being more positively addressed now.

The select committee is unjustified in pointing an accusing finger at the industrial representatives are only one sentatives on the Department of sentatives on the Department of sentatives on the Department of Environment's committee reviewing the 1980 Special Waste of whom I am one, have never sought to condone bad practice.

The real source of the prob-

routes) that first established a ground-based Duty free shop, available to departing and transit passengers. This was very successful, revolutionising the economics of airport operation and has now been copied almost throughout the world.

Any threat to BAA's Duty free shop concessions will not arise from within the UK (in fact. UK Customs has just re-

arise from within the UK (in fact, UK Customs has just removed a requirement that an airport must have more than 100,000 international departures before it would permit a Duty free shop). Any threat will come from the Governments of destination countries withdrawing Duty free allowances.

Within the context of BAA's profitability, it is important to tional German and British tourism and British tourism to Greece, Spain, Italy, Portugal and France to destination as the Caribbean. Not a near prospect, one would hope.

R. A. Ledingham.

Roseview,

Main Street.

Hethe, Bicester,

Oxon.

From Mr C. Simons

Board, facsimiles of the United

NOW THAT the brouhaha surrounding salary increases for the 664 most senior civil servants is subsiding, attention is turning to the unresolved

Civil Service union leaders gander."

This was somewhat dis-ingenuous. For Mr Graham, his fellow union leaders and ingredients.

in 10 years. In 1982, the Megaw inquiry proposed a fresh system, broadly supporting the Govern-ment's desire to make Civil Service pay subject to market forces, but talks on implementing it have hitherto made little progress. One factor was the souring of relations caused by the GCHQ affair last year. Another was that the relatively modest Civil Service settlements in the last three pay rounds— 4.9 per cent, 4.5 per cent and 4.9 per cent this year—can hardly have spurred Ministers to replace the present system

issue of how to determine the pay of the other 499,000.

were among the few people to welcome the awards, averaging 12.2 per cent in a full year, made to the mandarins following the report of Lord Plowden's Review Body on top salaries. Judging that the report was "a good oldfashioned comparability exer-cise," Mr Alistair Graham, general secretary of the Civil and Public Services Association, commented: "What's sauce for the goose is sauce for the

Treasury officials are, as it happens, in the process of concocting a sauce for the Civil Service as a whole and are far from agreed on the ingredients

Unsurprisingly, the unions would like the Civil Service to have a long-term system for fixing pay on the overt basis fixing pay on the overt basis of comparability with the outside world, Equally predictably, Ministers would not. Any system they approved would have to be rooted firmly in market factors of recruitment and retention of staff and to be qualified by considerations of cost. This divergence raises two

questions: can common ground be found and, if so, is there a will to compromise?

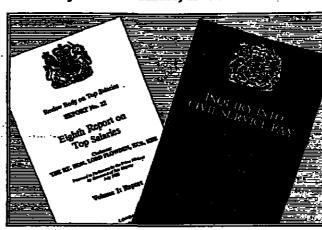
Perhaps the most hopeful sign is that the two sides are talking at all. The Civil Service has been without a settled procedure for pay determination since 1980, when the Government abandoned the Pay Research system set up in 1956. That system, based solely processes the contraction of the pay research system with the contraction of the pay research system. on pay comparisons with outside jobs in both public and private sectors had, in the Government's view, lost credibility, after its recommend-ations were set aside five times

of free collective bargaining.
Why, then, should the
Treasury have bothered proposing the re-opening of discussions on a long-term system?

Civil Service pay

Why the unions and Treasury are talking

By David Brindle, Labour Staff



members voted for industrial and 75 per cent of the full action this year in an ultimately-aborted pay campaign, and because of what has since been manifested as "the Brecon and Radnor syndrome," the electoral muscle of dissatisfied public

servants. The Treasury makes light of such explanations. The real reason for its offer of talks, it says, is that both sides dislike free collective bargaining and are, frankly, not very good at it. "Civil servants like rules; Ministers like rules; the rules of the game are very important

in morale and motivation among civil servants.

current talks, the unions accepted the invitation with caution. There have since been to secure unilateral access to about half a dozen meetings in search of common ground on what would be neither a pay review system nor free negoti-ations, but "informed collective bargaining."

bargaining and partly constrain window exercise on specific it in the sense that settlement grades over which there is configures would have to fall cern on grounds of recruitment within the inter-quartile range and retention or motivation." According to the unions, because almost 100,000 of their -that is, between 25 per cent

range of movements found by the survey.

This element is relatively noncontroversial, and it would not seem difficult to overcome two of the potential stumbling blocks: the insistence by some of the unions on measures to help the lower-paid; and the Treasury's insistence on an over-ride mechanism. On the first, the Government's position is that it will be prepared to discuss how to divide the cake once it is baked; on the second, official. corporate to accept an emergency over-ride provided it is explicitly non-discriminatory and applies to the whole of the public sector.

Much greater discriminatory Much greater discriminatory Much greater discriminatory and applies to the whole of the public sector.

erned at evidence of a slump morale and motivation mong civil servants.

Whatever the impulse for the for a survey of outside pay levels, in addition to move-ments, and their determination

over pay levels is the Govern-ment's wariness of compar-ability. Megaw recommended a four-yearly review of pay and The core of any agreement benefits as a cross-check and would be Megaw's proposal for counter-balance to the surveys an annual survey of outside pay of annual movements, but even movements (rather than pay this seems to be anathema to rates as under Pay Research) ministers. The most they are in the private sector alone. This likely to concede, according to would both inform subsequent officials, is a "looking-out-of-the-The unions, though with dif- can do.'

fering degrees of conviction. all support the need for a fully-fledged levels survey. On their calculations, Civil Service pay fell 15 per cent behind retail prices and 29 per cent behind outside pay between 1980 and 1985, before payment of this

year's 4.9 per cent rise.

The Treasury, using a different statistical base, calculates that Civil Service pay rose by 2.2 per cent more than retail prices over roughly the same period and that the shortfall against outside pay was merely

3.4 per cent.
The official side holds firmly to the view that civil servants' salaries should anyway be "discounted" as the Plowden team put it, to take account of their index-linked pensions and job

security.
On arbitration, the unions are at present adamant on the need for unilateral access. The Government has refused arbitration in each of the past two pay rounds and is determined to maintain that reference must be by agreement. Even then, it is likely to want arbitration restricted to consideration of the inter-quartile pay range.

While the problems of arbitration and pay levels are causing most concern at the Treasury. the unions are equally worried by a conundrum; if the Government concedes a pay system, where does that leave its cash limits policy?

This is an issue never satisfactorily dealt with by Megaw.
The Treasury, too, seems unclear, pointing out that Ministers have access to the contingency reserve and that they would not be considering a pay system if they did not intend to honour its findings.

The unions are unconvinced. They point out that the Expenditure White Paper in January made provisions below inflation for the Government's pay bill through to 1988 and that the leaked plans for departmental running costs targets also assume pay increases 0.5 per cent below inflation for the next three years. Where, they ask, will they retrieve their claimed 15 per cent shortfall?

Full agreement seems some way off—if it is at all achievable. The best that can be hoped for this year is probably a limited outside "movements" survey to set the parameters for negotiations. Whether even this can be agreed will depend very largely on the course of the next round of talks, likely to be held during the TUC conference in Blackpool next month.

If there is no agreement then there are unlikely to be any further discussions on a long-term pay system until after the next general election. As one union leader put it: "We will just sit on our hands and what disgruntled civil servants

TENDERS MUST BE LODGED AT THE BANK OF ENGLAND, NEW ISSUES (B), WATLING STREET, LONDON, EC4M 9AA NOT LATER THAN 10.00 A.M. ON THURSDAY, 15TH AUGUST, 1985, OR AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE GLASGOW AGENCY OF THE BANK OF ENGLAND NOT LATER THAN 3.30 P.M. CN WEDNESDAY, 14TH AUGUST 1985.

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£100—£1,000 £1,000 £1,000 £1,000 £1,000 £1,000 £1,000 £1,000 £10,000 £5,000 £5,000 £5,000 £5,000 £5,000 £5,000 £5,000 £5,000 £5,000 £5,000 £5,000 £5,000 £5,000 £5,000

23,000—250,000 E5,000
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E10,000—550,000 E5,000
E10,000—550,000 E5,000
E10,000—550,000 E5,000
E10,000—550,000 E5,000
Her Majesty's Treasury reserve the right to reject any tender or part of any tender and may therefore allot to tenderers less than the full amount of the Stock. Tenders will be ranked in descending order of pric and allotments will be made to tenderers whose tenders are at or above the lowest price at which Her Majesty's Treasury decids that any tender should be accepted the allotment price), which will be not less than the minimum tender price. All allotments will be made at the allotment price: tenders which are accepted and which are made at prices above the allotment price will be elictred in full or in part only. Any belance of Stock not allotted to tenderers will be slictted at the allotment price to the Governor and Company of the Bank of England, Issue Department.

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unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than 9th September 1985. Tender forms and copies of this prospectus may be obtained at the Bank of England, New Issues, Watting Street, London, ECAM 9AA, or at any of the Branches of the Bank of England, or at the Glasgow Agency of the Bank of England, 25 St. Vincent Place, Glasgow, G1 2EB; at the Bank of the Ban

15 Moorgate, London, ECZR 6AN; or at any office of The Stock Exchange in the United Kingdom.

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Attention is drawn to the statement issued by Her Majesty's Tressury on 29th May 1985 which explained that, in the interest of the orderly conduct of fiscal policy, neither Her Majesty's Government nor the Bank of England or their respective servants or agents undertake to disclose tax changes decided on but not yet abnounced, even where they may specifically affect the terms on which, or the Conditions under which, this Stock is issued or sold by or on behalf of the Government or the Bank; that no responsibility can therefore be accepted for any omission to make such disclosure; and that such omission shall neither render any transaction liable to be set aside nor give rise to any claim for compensation.

BANK OF ENGLAND, LONDON.

12th August 1985.

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|---|--|---------|--------------------|-------|--|--|
| E3,000—E10,000 £10,000—E50,000 £50,000 or greater | £1,000 £5,000 £25,000 | £ | | | | |
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| | NOMINAL amount of Stock n in Box 1 above);— | £ | | | | |
| 4 9 9 | ered per £100 Stock, being s. | 3. TENI | DER PRIC | Æ (b) | | |
| multiple of 25p an tender price of £96 | d not less than the minimum | £ | : | p | | |
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1/We request that any latter of allotment in respect of Stock elicited /us be sent by post at my/our risk to me/us at the address shown belo

| LEASE US | E BLOCK LETTERS | |
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| ULL POST | AL . | · · · · · · · · · · · · · · · · · · · |
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a A separate chaque must accompany each tender. Chaques should be made payable to "Bank of England" and crossed "New Issues." Cheques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Islands.

of 25P and not less than t

b The price tendered must be a multiple

No doubt they tossed for it

and had he been versed in correspondence about the £1 recent Kingdom and Scottish £1 coins.

For an organisation having a companies to describe a curve coin accompanies to describe a curve coin accompanies. correspondence about the £1 coins. For an organisation having a coin; some readers may be distressed to know that in the August edition of Power News, house journal of the Central Electricity Generating Board, there appear, in artwork illustrating the finances of the Easenhall, Nr. Rugby.

were no survivors.

third worst air disaster.

peared from radar screens without

warning and for no apparent



FINANCIAL TIMES

Tuesday August 13 1985



Boeing 747 may face scrutiny

THE CRASH of the Japan Air This remains the world's worst air Lines Bosing 747 SR high capacity disaster with 582 people killed. Two jumbo jets have been lost by jumbo jet 31 minutes after take off in Japan yesterday could be a turnfire on the ground, and two have been sabotaged on the ground by ing point in the 15-year history of the world's biggest airliner. The crash would be worst of its

kind in aviation history if there losses were caused when a Korean Air Lines 747 was shot down by the it appears at this stage unlikely Aviation experts, including those Soviet Union; when a Lufthansa 747 that one of the doors could have crashed on take-off at Natrobi as a from Boeing and other airlines fly-ing the 747 jumbo jet are awaiting the outcome of investigations into result of pilot error and when an Iranian Air Force 747 was lost in than the hole they fill to ensure that the cause of the crash of an Air In-

The Boeing 747 jumbo jet is widely regarded by airlines as their flagdown. One is a plug-type door, and ship, with high-earning potential as two are large leaf doors with hinges dia jumbo jet off the coast of Ireland in June, when 329 people lost their lives. This was the world's a profitable passenger carrier. A to-tal of 618 jumbo jets have been detal of 618 jumbo jets have been use livered by Boeing since 1970 to 68 plug-type design.

Each Boeing 747 jumbo jet has Of the 15 accidents involving Boeing 747 jumbo jets since the air-craft's airline service started 15 aircraft have carried years ago, three crashes have oc-

curred when jumbo jets disap-The Boeing jumbos range from models with 330 seats to the Boeing 747 SR with its capacity of 550 seats, the type that crashed in Ja-

A further three crashes have oc-Boeing is considering introducing an additional model, the 147-400 curred when jumbo jets have tried with 400 seats and a range of 7,000 and Pan American aircraft collided on the ground at Tenerife airport.

pan Air Lines crash is likely to focus on the structure of the jumbo jet, especially if it is confirmed that there was a problem with the door

Unless there was an explosion on board adjacent to a passenger door, been at fault. They are designed as plug-type" doors and are bigger they cannot fall out.

at the top. The aircraft also has a

four separate systems to ensure pitot control in the event of one sys-tem failing. The aircraft is also built with more than the minimum structural parts to ensure that it can continue flying in the event of one cru-cial part failing.

The 747 has three main wing spars compared with other aircraft which only have two main wing spars," Boeing said yesterday. flying during the aircraft's design stage in the 1980s. After this period, parts of the structure were cut with hacksaws, and the aircraft flown

for a further 12,000 hours. This total of 72,000 hours simulated flying compares with the 25,025 hours flown by the Boeing 747 SR of Japan Air Lines that crashed yesterday en route from Tokyo to Osaka

Two other 747s in service with other sirlines had already flown 60,000 hours, Boeing said yesterday. Previous losses of Boeing 747 jumbo jet airliners since introduction to airline service in 1969; 1970: Pan Am – blown up on ground

at Cairo by terrorists.

1973: Japan Air Lines - blown up on ground at Bengari by terrorists.

1974: Lufthansa – crashed on takeoff at Naïrobi wing slats not extended by pilot for take-off.

1975: Air France – empty aircraft caught fire on ground at Bombay. 1976: Iranian Air Force – exploded

in mid-air. No details, 1977: KLM and Pan Am - two 747s caught fire after collision on runway at Tenerife. 582 people killed.

frame for 60,000 hours of simulated 1978: Air India - disappeared from flying during the aircraft's design radar after take-off from Bombay. Crashed in sea, 213 people

> 1980: Korean Air Lines - crashed on lauding at Seoul airport.

1983: Korean Air Lines – shot down by missile from Soviet fighter aircraft after alleged incursion into Soviet air space. 269 people

1983: Pan Am 747 crashed off runway at Karachi. 1983: Avianca – aircraft hit hill on

approach to Madrid airport, 185 ole killed. 1985 March: UTA Boeing 747-300 caught fire in hangar in France. 1985: June 23 Air India – aircraft spoeared from Shannon air

traffic control radar 120 miles south-west of Ireland while on a scheduled flight from Toronto and Montreal, via London to Bombay. 329 people killed. 1985: August 12 Japan. Air Lines — high passengar capathy inches

high passenger capacity jumbo jet disappears from radar screens on approach to landing. Pilot reported trouble with the rear door shortly before the air-craft went down. More than 500

Standby

loans 'could

banks'

strain U.S.

EIGHT of the top 10 U.S. bankin groups would breach the Federa serve's minimum primary capital ratios if their exposure under stand-

by letters of credit, which they are uaranteeing, were included in the alculations Keefe, Bruyette & Woods, a leadng U.S. bank stock firm, was calculated that only J. P. Morgan and First Interstate Bancorpo would have primary capital ratios of over 5.5 per cent if standby let-ters of credit were included in the

Manufacturers Hanover Trusi's stimary capital ratio falls from 5.72 per cent to 5.01 per cent and Bankers Trust's ratio drops from 6.23 per cent to 5.35 per cent, according to

the Keefe study. The 30 top bank holding compa-nies in the U.S. experienced a 33-baach urged by Chief sis point fall in their average primary capital ratios after standby letters of credit were added in, according to the study, if the minimum primary capital ratio was raised to 6.0 per cent, more than half of the top 30 U.S. banks would fall below the minimum. This would

require them to raise \$4.6hn in new capital.

There has been considerable speculation that U.S. bank regula tors may soon move to count bank standby letters of credit into their capital ratio guidelines because of concern that this rapidly growing business is leading to sizeable potential risks which are not imp ately obvious by looking at a bank's balance sheet.

obliged to disclose their exposure to standby letters of credit as contin-

When a bank issues a standby letter of credit, it assumes a contingent liability since it is guarantee ing a payment if a third party falls to pay. For this guarantee it charges a fee which ranges from % of a per cent to 1% per cent.

defends safety system

prove fatal. Even so, the accident is bound to

In the wake of the Bhopal disaster, the Institute unit making methyl isocyanate - a vital ingredient in the manufacture of Temik, one of

Yet it was in this section that the new accident occurred, apparently because of a faulty valve in a pipe carrying aldicarh oxime in the processing system. Aldicarb oxime is subsequently mixed with methyl isocyanate to make aldicarb, a less loxic material, before shipment to another Union Carbide plant in

vironment Protection Agency.

THE LEX COLUMN

Sanko runs out of steam

If Sanko Steamship had been flying anything other than a Japanese flag it would have been laid up months ago.

Three years of mounting losses had extinguished net assets long before yesterday's news that the group was expected to seek the proection of the courts.

Japanese creditors are longer su fering than most and even last week it seemed possible that the

company would somehow stagger Three months ago, when Sanko was technically bankrupt, the shares traded at Y120; after yester-

day's announcement they were sus ended at Y27. Sanko's aggregate liabilities of Y1,000hn have, it appears, proved too much even for the Japanese banks and trading companies. The damage should be split evenly be-

tween them, with the banks writing off a substantial portion of the Y520hn of debt and the trading companies counting their losses on a ship leasing portfolio which totals around Y460bn. . It would be tempting to see the

Sanko failure as evidence of a tougher line by the banks, but that would probably be wide of the mark. Sanko has been by any stan-dards an extraordinarily inept company – it misread the tanker mar-ket on a grand scale in 1973 and re-peated the trick with bulk carriers a decade later. No other Japanese shipping company is in anything like such trouble and the market

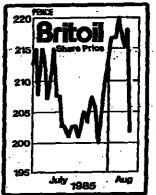
.The Tokyo stock market has greeted Sanko's slide into the courts with remarkable equanimity. The disaster may have been fore-shadowed and the losses may be spread broadly among Japan's fi-nancial institutions, but a failure on this scale is sure to cause the banks and trading companies to reconsider their provisioning policy.

leaders, Nippon Yusen and Mitsui, are making cheerful profits.

And the place they may look first is their shipping book. Sanko's 125 dry bulk carriers stand to cripple the second-hand market in this sector and further depress charter rates in what is already a miserably depressed business.

Britoil

A glass may be half-full as well as half-empty. Amid all the grumbling, it is worth recording that Britoil's second offer for sale has not been a failure, with the partly-paid shares GrandMet is paying a multiple of 19 but the turn of the century looks closing at a 22p premium yesterday. times last year's earnings. Doubt- well enough served already.



That looked far from certain six weeks ago and would have seemed the first offer in 1982,

Not that yesterday's aftermarket was healthy in the usual meaning of the word. With the UK institutions all but surfeited with Britoil shock, there were still a few foreign investors to buy a high-quality share on a low-quality yield: there was a satisfying hump in the price of the partly-paid at mid-afternoon. Meanwhile many new IIK inves-Meanwhile, many new UK inves-tors, furious at being offered only a fifth of the equity, were tempted to cut their exignous gains and then learned about those funny letters of

stagging democracy has suffered a reverse - despite the offer of an unrecognisably better business at a handy discount to the original Britail valuation. It is no comfort to bolders of the old shares, but at least yesterday's exercise has laid the ghost of the original failure. And the jobbers made some money

GrandMet/Pearle The market had a whole weekend

to digest the news that Grand Metropolitan was to spend \$360m on buying Pearle Health Services, an American seller of speciacles. By

Pearle is certainly in a growing market - as the U.S. population ages, so does its sight deteriorate. GrandMet claims that over the last most dread: illiquidity in the new four years, the industry has grown style gilt-edged market. There may at a compound rate of 22 per cent. be arguments for creating new at a compound rate of 22 per cent.
For this Pearle among pearls.

less there is a premium for certain ty since GrandMet is guaranteed ownership of 53 per cent of the shares. And there is the added bonus of in-store dental services with which Pearle is experimenting. But investors seemed to take little notice of the fact that Pearle's pre-tax profits grew by just 3.5 per cent in the year to June 1985. Everyone may need spectacles in

the long run, but when spending power is wilting, people seem quite sppy either to postpone their visits to the optician or to forswear a pair of different-coloured glasses.

Even if Pearle only makes the Even if Pearle only makes the same next year as this, its traffing profits will match the dear's finding ing costs, so earnings per share not be diluted. It is the bala sheet that will take the strain.

All the good GrandMet has dens this year of reducing its gearing through disposals, vendor placings and a property revaluation will be wiped out - by the end of the financial year, debt will be back to about 54 per cent of shareholders' funds. But at least it will have a clean conscience - the money it raised from selling its chewing tobacco subsid-iary is going towards looking after other people's eyes and mouths.

Yesterday's new UK tap – £800m of Treasury 5% per cent 2002 - was launched into what is already one of the most densely populated areas of the gilt-edged market. From the Government Broker's

vantage point there is every reason to issue stock in that maturity area. It could help to flatten the yield curve, will provide more delive stock for the futures market and will find ready enough buyers. But there seems precious little point in creating a new security when so many are already available in the Even before yesterday's tap, there were:14 conventional stocks

maturing between 1999 and 2004, many of them trading close to paryesterday, it had plumped on a decilit takes no great ingenuity to sell a dedly rose tinted view of the deal; new stock by tender through the enough to push GrandMet's shares up 9p to 313p.

Handy of mean training cause to particular takes no great ingenuity to sell a dedly rose tinted view of the deal; new stock by tender through the enough to push GrandMet's shares up 9p to 313p. stock list, the Government Broker runs the risk of producing precisely what he and the Bank of England

Midcon \$1.15bn U.S. gas pipeline takeover

MIDCON Corporation, the U.S. gas pipeline company based in the up-per Mid-West, has made an agreed \$1.15bm bid for United Energy Resources, a Houston-based pipeline company which has been the sublation in recent weeks.

The deal is the latest in a series of takeovers in the U.S. gas pipeline industry where companies have been hit by falling prices, sluggish iemand and increased competition following a partial deregulation of the industry which is leading to widespread consolidation. MidCon will today begin a cash

der offer at \$41 per share for up United Energy's total outstanding. of the shares will be swapped for MidCon common stock at a ratio of between .904 and .960 a share of MidCon common. The exact ratio will be determined by the ratio between \$41 and the average closing prices of MidCon common stock for the five trading days preceding the United Energy share-holders meeting.

United Energy Resources' shares, which have risen by a third this year on the back of takeover speculation, jumped \$3% to \$39% in early trading yesterday. MidCon shares which had been bid up to \$55% earlier this year when merger talk in the gas pipeline industry was at its peak, fell \$1 to \$43 in early trading

Mr O. C. Davis, chairman of Mid-Con and Mr J. Hugh Roff, chairman of United Evergy, said the combina-tion of the two groups would "create one of the largest and most flexible gas pipeline marketing systems in the nation, with access to a wide range of gas supply and market rs in all of our mar ket areas will be better served through the synergies resulting from the combination

Both companies are roughly similar in size in terms of revenues of \$4bn a year. However, MidCon, which earned \$146m in the year to the end of September 1984, is considerably more profitable than United Energy which earned \$36m in its last financial year. Its earnings have been hit by write-offs and the company faces as much as 51hn in claims as a result of its decision to cancel contracts to buy expensiv

The takeover is the latest in string of acquisitions which is changing the face of the U.S. gas pipeline industry. Earlier this year ternorth bought Houston Natural Ges for \$2.3bn and Coastal Corporation paid \$2.5bn for American Natu-

Armed Zulus keep peace in Durban's townships

BY OUR FOREIGN STAFF

DURBAN'S riot-torn Indian and black townships returned to a watchful calm yesterday, after five days of unrest which have left an estimated 65 people dead, about 1,000 injured and wide-scale damage to homes, shops and property. Members of Inkatha, the largely Zulu conservative mass movement patrolled the black townships

armed with knobkerries and sticks to ensure a return to work and classmoms. Police yesterday sealed off the black township of Kwathema to the east of Johannesburg, searching cars and forcing pupils to return to their classes. According to unconfirmed reports, the police adminis-

tered beatings to children they found out of their schools and patrolled school premises. At Mamalodi township outside Pretoria. a weekend of violent fighting between residents left several people dead, while yesterday residents were prevented from going to work by youths who barricaded

In Johannesburg, riot police whipped and chased a group of white and black students urging at the treason trial of 16 leading ed future.

stones and tins.

consumer boycotts. The boycott members of the United Democratic campaign has spread from the East-ern Cape recently to Johannesburg and Pretoria, with a boycott might have to order prosecution planned for Cape Town next Wed-

The Black National Union of The Disca Manual Vineworkers (NUM) alleged yesterthat mine managers were intimidating workers from joining a threatened strike on August 25. The union also said that some of its officials had been picked up by the security police and questioned on the

The NUM claimed that several mine managers had threatened employees with dismissal if they went on strike and that manage were buying arms, ammunition and armoured vehicles for use against

The NUM has repeated its willwhite businesses near mining spartheid. towns was at an advanced stage. The union hopes that the boycott -

might have to order prosecution lawyers to provide more details of the charges against the defendants.

Mr Nick gey von Pittins, prose-cuting counsel, told the court be would give it a copy of a publication called Dawn, which some of the 16 are accused of distributing. The judge, Mr John Milne, said:

"If at the end of the trial all you have got is that the accused join a conspiracy by distributing a docu-ment I will have to discharge the accused. No reasonable man could

AP reports from Jerusalem: My Shimon Peres, the Israeli Prime Minister, pledged yesterday after meeting Chief Gatsha Butheleri, ingness to consider realistic wage the moderate black leader, to use offers from the mineowners. It also the moderate black leader, to use said that planning of the boycott of ruled Government to appeal against Mr Peres endorsed the non-

state of emergency - will be in full urged Israel to "use its diplomatic swing within a few days.

clout to influence South Africa to move the people towards a negotiat-

Floating oil dumps proposed

BY IVO DAWNAY IN BRUSSELS

A NOVEL proposal for floating rubbish dumps" to collect oil jetti-soned by ships in the Mediterranean is to be put to the 16 signatories of the Barcelona Convention when they meet in Genoa. Italy, next month.

The European Commission plan is aimed at tightening existing re-strictions on ships that have, for a long time, spoiled coasts by cleaning fuel tanks at sea. It comes under the so-called Mediterranean Action Plan developed by the United Nations environment

programme. The plan was adopted by almost all the countries which adjoin the sea at a conference in Barcelona in 1975.

sidiary of the state-owned Swede-Yards group, has been awarded a

SKr 400m (\$47.6m) order to build a

car, rail and passenger ferry by PZB, the Polish state shipping com-pany, which was unable to place the order at home, writes David Brown

The vessel, which will hold 500 passengers and has space for a 32-car train and 42 lorries, is to be de-

livered in mid-1987 and will go into

service on the Swinouiscie-Ystad

(Sweden) route.

The EEC proposal recommends: ed area where the level of maritime traffic demands them. Incentives for private companies

The creation of floating reception areas near ports and other protect-

• Pressure on ships to use the facility and a system of reports on the effectiveness of the scheme. ent of the pro

in Brussels yesterday gave no indi-cation of the cost of the floating dumps, or how they should be financed. Nevertheless, the move looks certain to be greeted with en-

Kockums wins Polish ferry order

Earlier this year, Polish shipyard

authorities were forced to turn to

another Swedish company, Skans-

ka, to complete four car-passenger

ferries which had been ordered by Stena Line in 1978 and were three years behind delivery schedule.

the state of Mediterranean beaches Pollution from ships is covered under an international agreement -Marpol 73 - which lays out commo arrangements for the reporting of to set up a pilot project as soon as pollution, prevention and control measures and the arbitration of

> The Barcelona Convention, which came into force in February 1978, tightened these regulations by iding four protocols specific laying down measures for the Medi-terranean. An outline of the floating dumps plan was presented by the EEC at a special meeting of repntatives of the signatory states

The order has provided an impor-

which was forced to lay off a quar

ter of its workforce earlier this

vear. Kockums concentrates on pro-

off vessels and specialised cruise

Union Carbide

Continued from Page 1

distinct from methyl isocyanate, the gas which leaked with such devastating effect at Bhopal. According to medical officials, aldicarb oxime is only mildly toxic and needs to be absorbed in large quantities to duction of submarines, roll-on, rollerries which had been ordered by tena Line in 1978 and were three ears behind delivery schedule.

The order is denominated in struction. It faced lay-offs for a

raise renewed doubts about the plant at Institute, where the compaeakages earlier this year.

the most successful insecticides in the world today - was closed down and thoroughly overhauled.

Georgia for the production of Te

Safety procedures were also re viewed at the Institute plant earlier this year, and were passed by a government team from the Federal En-

SIX MONTHS TO 30 TUNE

 United Kingdom transport and storage companies increased profits

 Conversion of overseas results affected by fluctuations in exchange rates European companies largely held their own

In USA and Canada the reinforcement

businesses made a spectacular recovery On US West Coast severe competition made

good profits hard to earn for road hauliers Outlook generally, in most areas of activity, is encouraging

| RESULTS IN BRIEF | Six mo | | |
|------------------------|----------------|--------------|-------------|
| | . June 1985 | June 1984 | % Change |
| Turnover (£m) | 229.3 | 205.1 | +11.8 |
| Profit before tax (£m) | 11.2 | 10.0 | +12.0 |
| Dividend per share | 1.7p | 1.6p | +6.3 |

Transport Development Group PLC, 66-74 Victoria Street, London, SW1E 6SR

World Weather

Paris warned

its service on this route to meet tive against growing commercial traffic, but shipbuilders. "the Polish yards don't have the ca-

pacity to deliver on time," said a tant breathing space for the hard-Kockums spokesman.

Swedish Kroner on an 8%-year number of its steelworkers this

credit line and was won in competi-year if it failed to win a new order.

Continued from Page 1

for further action, already instigat. in 1985 and 1.9 per cent next ye ed by the Socialists in some areas, to reduce labour market rigidities. The OECD welcomes the Govern-

ment's progress in improving competitiveness of financial markets and gradually freeing prices of in-dustrial products. But it urges more efforts to cut regulation "to improve the efficiency of the productive system," pointing above all to distortions caused by continuing tight controls on the prices of services and on foreign exchange move-

real GDP will grow by L1 per cent next year.

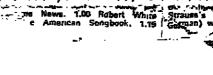
against 1.6 per cent in 1984. Productive employment will decline by 200,000 people this year, only slightly less than 240,000 last year, with another smaller fall seen in 1986. Unemployment, which is being held down by community work and training schemes, will probably

edge up to 11 per cent of the labour force in 1988 from 10.5 per cent in 1985 and 9.7 per cent in 1984.

The trade deficit is seen narrowing to \$500m in 1986 from \$3.2bm this year and \$3.8bm last year, with equilibrium or a small surplus like to be achieved in the count half. The secretariat forecasts that ly to be achieved in the second half













SECTION II – COMPANIES AND MARKETS

FINANCIALTIMES

Tuesday August 13 1985



Lower operating result for Asea at midway

BY DAVID BROWN IN STOCKHOLM

ASEA, the Swedish electrical engineering and electronics group, reports a slight decline in operating

markets and growing price competition had put pressure on margins. As a result profits for the year are

liquid assets rose slightly to SKr profits after depreciation for the first six months and has been

Operating results fell from SKr Order bookings rose by 21 per 920m (\$109.8m) to SKr 918m on 9 cent to SKr 19.26bn - particularly in per cent higher sales of SKr the power transmission, distribu-17.17bn. However, a net improve-tion and industrial equipment secment in financial costs of SKr 52m tors - but margins on those conand a further SKr 68m decline in tracts had weakened, the company extraordinary costs yielded a pre-said. tax profit of SKr 1.09hn.

BY MAGGIE URRY IN LONDON

sue from Campbell Soup.

back to the good old days with an is- er's deal.

with Morgan Guaranty as co-lead issues, and a small group of nine co-

The terms were set at a 10-year

life with a 10% per cent coupon and

par issue price. Fees total 2 per cent, but the bonds were quoted

well inside that spread at around a

Another \$45m issue was launched

% point discount to the issue price.

for Chujitsuya guaranteed by Fuji

Bank. This is expected to be sold

mainly to Japanese investors. The

seven-year bonds pay a 10% per

cent coupon, and issue price is 100%. Nomura International led the

After a firmer opening the Euro-dollar bond market met some prof-

it-taking yesterday. Little retail in-

terest has been seen, and trading is

thin. However, there is more opti-

mism among syndicate managers,

A total of Y90bn of dual-currency

and more new issues are likely.

Asea said weakening worldwide **EUROBONDS**

expected to be maintained at the SKr 243bn achieved in 1984. Earlier forced to lower its earnings estimate for the whole of 1985.

Asea forecast a continued improve
ment in 1985.

Asea forecast a continued improve
ics and biotechnology group, has
bought a 10 per cent stake in Kabi-

tion and industrial equipment sec-

The immediate cause of the six-Exchange-rate losses, which month deterioration was an SKr where SKr 150m in 1984, have not been charged against earnings at power operations caused by severe winter weather.

Return on capital employed for in the biotechnology field."

Campbell Soup taps market

rodollar bond market yesterday got side Morgan Guaranty, on the oth-

The \$100m deal was not attached year life and pays an 8 per cent couto a swap and was a classic Europon with a 101% issue price. It will

bond offering, likely to find good in- be redeemed in U.S. dollars at an

terest from retail investors. It was exchange rate of Y208 to the dollar led by Credit Suisse First Boston - the rate chosen for all yesterday's

WHILE the Euroyen bond market is still preoccupied with new-fangled dual-currency deals, the Euroyen bond market is still preoccupied with new-fangled dual-currency deals, the Euroyen with each acting as co-lead, along years. The coupon was set at 6% per red livery bond market treatment and the still beautiful to the st

The dual-currency issue has a 10-

The zero-coupon portion matures

on the same day as the dual-currency issue and is priced at

54.5726 to give a yield to maturity of

6.24 per cent. Fees on this issue are

1% per cent. Between the two deals

and Morgan Guaranty's swap Ek-

first in the rush with a Y25bn issue

Nomura, whose syndicate depart-

In the D-Mark Eurobond market

trollbank, which is guaranteed by

cheap funding.

sportfinans should end up with

gen, the gene-technology company, from KemaNobel (Sweden's leading chemicals group) for an unspecified

The group's finance director said the move "will combine Kahigen's competence in gene-technology research and development with Fermenta's knowhow and biotechnology production facilities. This imes a significant strengthening of th companies' competitive power

cent with the issue price at 100%,

finer terms than the EIB's recent

deal which had the same coupon

and maturity but a 99 issue price.

OKB's deal was trading late yester-

day within its 1% per cent selling

The secondary market was quiet

with prices mixed as dealers waited

In the Swiss franc foreign bond

market Soditic announced the early

redemption of Pan-Am's SwFr 100m

convertible issue launched less

than a year ago. The steep ascent of the shares since take-off has al-

ready encouraged around one third

are now expected to do so before

The secondary market remains

with a 6 per cent coupon closed at 99%. Both were issued at par.

Page 15

ZU-yea

for the Bundesbank's decision on

interest rates on Thursday.

Earlier Daiwa Europe had been of holders to convert, while the rest

for Honeywell, the U.S. computer the call takes effect. The bonds,

group. This also has a 10-year life which paid a 6% per cent coupon, and 8 per cent coupon with a 101 is had been trading at 130% before the

sue price. This is thought to be a swap into floating rate dollars.

announcement and slipped to 128 vesterday.

ment was hyper-active yesterday, also launched deals for British PeThe recent two-tranche issue from

troleum and Philiro-S-lomon. Both the World Bank started trading for

have 10-year maturities and 8 per the first time yesterday. The SwFr

cent coupons. BP's is for Y25bn and 100m 10-year part, with a 5% per

is issued at 101% while Phibrocent coupon, closed at 99%, while Salomon's is for Y20bn with the is-

yesterday.

The sale is the latest in a series

By Our Financial Staff

chemicals and pharmaceuticals group, expects higher profits for 1965 after a sales gain of 12 per cent for the first six months of the year.

(\$985m) for the half year, against DM 248hn in the comparable six months, with good growth in pharmaceuticals offsetting weak-er sales in the pesticide division.

Despite lower earnings from the U.S., profits for the half year improved, Schering said yes day. For 1984 the group turned in net profits of DM 138m and increased the dividend by three percentage points to 24 per cent.

rose 13 per cent to DM 2.28hn from DM 2.04hn, while domestic sales gained 6.8 per cent to DM 497m. Parent company's sales rose 11 per cent to DM 1.23bn.

Hadco pays \$2m for stake in Matra unit

By David Marsh In Peris

MATRA, the French state-o trolled defence and electronics group, has agreed to sell a 49 per cent stake in its Comelim printed-circuits subsidiary to Hadeo of the U.S.

The sale, for \$2m, will leave Maira with 51 per cent of the company, but Hades – the world's leading manufacturer of ulti-layered printed circuits will have an option to buy a fur-ther 11 per cent of Comelim later. The deal is seen by Matra as

paving the way for technological collaboration with the U.S. com-pany similar to its co-operation with the Harris electronics concern, with which it jointly owns a Nantes-based semiconductor

of efforts by state-controlled French companies to slim their participations in subsidiaries. M chairman, has been following a policy of cutting back diversifica-tion in order to concentrate on the group's main defence and professional electronics inter-

Schering lifts sales by 12% in first half

SCHERING, the West German

ready controls 19.9 per cent of Castlemaine, in which Britain's Allied Lyons is a key (25 per cent) share-

not be unexpected.

group's turnover in Europe has

lost only one point of share. Mr Gleason thinks things are more than doubled to about \$800m. stabilised now, at least in terms of and farm equipment now accounts products and marketing. On the for two thirds of the total Previousmanufacturing front, the group's ly, Harvester was the third largest agreement with the French Governsupplier of tractors in Europe with ment includes the closure of one of an 11 per cent share, and Case was three plants in that country and the contraction of another, bringing gether, they are neck and neck with about a reduction of 700 in the total workforce of 3,100.

There is still a question mark in "We feel there is no fundamental"

There is still a question mark in Britain where Case and Harvester flaw in our position in Europe," Mr had large tractor factories at Hud- Gleason says. "We are the number dersfield and Doncaster respective- two in each of our businesses, and ly. Case International is unlikely to we have extremely good distribuneed both. The group will soon in-troduce engines made by a joint wenture between Case and Cum-mins Engine of the U.S. in all its The farm and construction equip-

problems and the difficulties of three tractor suppliers make more making the merger work.

and makes wheeled loaders, crawl- er ones. er tractors and, through its Poclain "We think the potential is there," associate in France, hydraulic exca- Mr Gleason says. "We are trying to vators. In terms of combined unit look at our position in Europe over sales of these four product lines, the long term. It is going to take a Case claims a 12 per cent market long time, but we will make our ly the British assets of Harvester, cause of fears that it would go out of share in Europe, second only to way inch by inch."

EUROPE has turned out to be the leaving the large but bankrupt major challenge for J. I. Case, the French operations in a state of uncertainty until rationalisation plans wake of its daring \$430m takeover could be agreed with the French third after Deutz and Fendt, it has with the Harvester takeover, the

tractors and has yet to decide ment sectors are much more frag-where in Europe to make them. Mr Gleason acknowledges the America. In North America, the top than three quarters of all sales. The A year ago, Case in Europe was a top three in Europe make less than business with \$380m in turnover, half. If the current fiercely competitwo thirds of which came from con-struction equipment. The group is the world leader in backhoe loaders side, to the advantage of the strong-

Profits outlook bolsters Castlemaine defences

Ian Rodger looks at the merger problems of a U.S. farm equipment group

Case hits hard ground in Europe

Government. The group also delayed buying Harvester's West Ger-

man engine and tractor assembly

Negotiations with the French were not completed until late May, and, in the meantime, competitors

were picking away at the Case and Harvester market shares. That has

been an uneven process because,

while both are significant suppliers in the UK market, only Harvester

has a strong presence elsewhere in

is down from 22 per cent last year to 18.5 per cent. The erosion might have been worse if Case, which

used to be known as David Brown

in Britain, had not offered generous

discounts on tractors in the old

Mr Gleason also attributes the

fall to a certain amount of overlap

in the market strengths of the two

and the disruption caused by the ra-

tionalisation of the dealer net-

works. Case International now has

215 outlets in the UK compared

with a combined total of 320 last

In France, by contrast, market

share has gone up slightly. Previously Harvester, second only to Re-

nault in France, was suffering be-

Case and Harvester liveries.

Europe,

DIRECTORS of Castlemaine Tooheys, Australia's second biggest brewer, yesterday predicted significant profit increases during the next three years, as part of its defence against Mr Alan Bond's than 30 per cent of the Australian AS1.1bn (U.S.S780m) takeover offer. beer market it expects sales to Bond Corporation, of Perth, al-

of the worldwide farm equipment operations of International Harves-

When the acquisition was an-

nounced in December, it looked as

if Case, a subsidiary of the Tenneco energy and manufacturing con-glomerate, was interested mainly in

sorting out the saturated U.S. farm-

equipment industry. Case and Harvester were suffering huge losses, with no prospect of an early return to profitability.

But the turnround in the U.S. was

achieved rapidly when Case closed

down Harvester's large tractor plant in Davenport, Iowa, removing

about a third of U.S. capacity at a stroke. Case also consolidated the product lines and the North Ameri-

can dealer networks of the two so

quickly that it has been able to im-

prove slightly on the combined mar-ket share of the two. They previous-

ly shared second place far behind

Deere; the new Case International, as it is called, has a 30 per cent

share, only about 10 percentage points behind Deere.

In Europe, things have not gone

so smoothly. "We have made a start,

but we still have a long way to go,"

says Mr John Gleason, Case's se-

At the outset, Tenneco bought on-

nior vice-president in Europe.

ter late last year.

Castlemaine said yesterday expected net profit for its latest year, to July 31, would show a 17.7 per cent gain to A\$73m.

grow to AS1.22bn next year, rising to almost A\$1.5bn by 1988. Bond Corporation's Perth-based Swan Brewery has an estimated 10 per cent of national beer sales.

a share for all of Castlemaine, a re- of A\$758m vised offer of A\$7.75 to A\$8 - It is pa

was "actively examining a number of potential acquisitions" of its own.

Directors cited into ● Rothmans Holdings of Australia, and greater efficiency as contributthe cigarette-maker and distributor, ing to the higher profit and said the

Although Bond is bidding A\$7.50 A\$42.9m (U.S.\$30.5m) on turnover

It is paying a final dividend of thought to be the maximum - would 12.5 cents a share, against 10 cents not be unexpected. 12.5 cents a stare, against 10 cents last year, for a total dividend of 23.5 Castlemaine said yesterday it cents a share, against an adjusted

Directors cited improved margins scored an 11.5 per cent increase in company's market share had shown net profit for the year to June 30, to some second-half improvement.

Earnings rise 10% at Arab Banking

nans, the Norwegian export credit
group, was linked to a Y20bn zero150m deal for Österreichische Kon-

ther deals expected today. In addition one Y20bn deal for Eksportfi-

BY OUR FINANCIAL STAFF

ARAB BANKING Corporation, the cal capability, writes Finn Barre in RAYAB HANKING COrporation, the Rayadh.

Rayadh.

The sovernments of Abu Dhabi, Ku
The Sabic 1984 annual report the governments of Abu Dhabi, Kuper cent increase in group pre-tax tion intends to spend \$2.3bn on pet-profits to \$76m from \$69m for the rochemicals, \$830m on minerals, six months ended June 30. Full-year over \$900m on plastics and synthet-

cent from the previous period's on administrative buildings.
\$12.3m. Group assets during the first six months of this year rose 19 eration plants amounted to portfolio of \$5bn was up by a quar-ter from the previous year's \$4bn.

profits for 1984 were \$110m.

The bank, Bahrain's largest, struck its pre-tax interim profit after the struck ter provisions of \$13.7m, up 11 per search and development and \$55.5m

tries corporation (Sabic) announced ing Services, have been gearing up that it planned to spend \$4.13bn for the big export push and have that it planned to spend \$4.13bn for the big export push and have the past of the planned to spend \$4.13bn for the big export push and have the past of the planned to be proposed t world markets.

plan to further develop petrochemi-

BY WONG SULONG IN KUALA LUMPUR

1,7

wait and Libya, has reported a 10 states that the huge state corpora-

Investments on Sabic's first genfirst six months of this year rose 19 eration plants amounted to over per cent to \$11.8bn, while the loan \$10bn. By the end of 1990, that figure will rise to \$15bn.

ter from the previous year's \$4bn.

Sabic's marketing subsidiaries,
Sabic Marketing and Sabic Market

Land deal for Malaysian group

UNITED Plantations, a major Malaysian oil palm group, is to buy 10,000 hectares of jungle land from the Perak state government for 25m the Perak state government for 25m Meanwhile IIP has reported a 15 means that 27,000 hectares of jungle land from the Perak state government for 25m heavy for the perak state government for 25m hectares, making it the largest companies to be perak to more than 27,000 hectares, making it the largest companies to be perak to more than 27,000 hectares, making it the largest companies to be perak to more than 27,000 hectares, making it the largest companies to be perak to more than 27,000 hectares and the perak to more the

The land, adjacent to the compa-per cent fall in pre-tax profit to 18.6m ringgit for first-half to June ny's plantations in Lower Perak, is expected to be fully developed by about 1990 and will increase UP's

US\$ 100,000,000 Merrill Lynch Overseas Capital N.V. (Incorporated with limited liability in the Netherlands Antilles)

Guaranteed Floating Rate Notes due 1987 Unconditionally Guaranteed by Merrill Lynch & Co., Inc.

INACEPTIE LYBICII OF CUt, IIIC.

In accordance with the terms and conditions of the above-mentioned Notes and Fiscal Agency Agreement dated as of April 15, 1981, between Merril Lynch Overseas Capital N.V., Merril Lynch & Co., between Merril Lynch Overseas Capital N.V., Merril Lynch & Co., between Merril Lynch Overseas Capital N.V., Merril Lynch & Co., between Merril Lynch Overseas Capital N.V., Merril Lynch & Co., between Merril Lynch Overseas Capital N.V., Merril Lynch & Co., increase Payment Date, November 13, 1985, against the relevant Interest Payment Date, November 13, 1985, against the relevant Interest Payment Date, November 13, 1985, against the relevant Interest Payment Date, November 13, 1985, against the relevant Interest Payment Date, November 13, 1985, against the relevant Interest Payment Date, November 13, 1985, against the relevant Interest Payment Date, November 13, 1986, against the relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against the Relevant Interest Payment Date, November 13, 1986, against th

August 13, 1985, London By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

South African steel group ahead 33%

BY JIM JONES IN JOHANNESBURG

HIGHVELD STEEL and Vanadium gish domestic market, and 279,452 (Hiveld), the South African ferro-altons of mill products were produced most half and its pre-tax profit by last year as a whole.

one third in the six months to June First-half earnings rose to 27.0 30. This was due to higher alloy cents a share from 19.2 cents, and sales and improved rand-denomitie interim dividend has been

R206.2m in the corresponding peri-cents was declared.

the world supply demand situation. prices are under pressure. Nevertheless, output increased slightly to 75.304 tons in the first half from a corresponding 1984 figure of 71,345 tons and against 148,081 tons in 1984 as a whole Highest tons in the first trading conditions combined sharp ly to reduce turnover and depressed trading conditions combined sharp ly to reduce turnover and profit at the reduce turnover and the reduc

comic production facilities. ro-alloys (ferro-manganese, ferro-silicon and ferro-vanadium) was in-tax profit was R3.40m against creased to 89,807 tons from 69,128 R6.61m.

Output of the steel rolling mills good levels of demand at the end of was reduced in response to a slug- June despite the labour unrest

loys and steel manufacturer, in-against 317,714 tons in the first half creased its first-half turnover by al-of last year and 594,939 tons during

cents a share from 19.2 cents, and nated export prices.

The first half's turnover inreased to R3044m (\$140.9m) from share, and a total dividend of 17

od of 1984. Pre-tax profit rose to R18.96m from R14.17m. In 1984 turnover totalled R450.2, and pre-tax profit was R28.6m.

Mr Boyd believes this year's second-half earnings will be modestly better than those of the first half as domestic steel sales are unlikely to Mr Les Boyd, chairman, says pro- deteriorate and tonnages of export duction of vanadium pentoxide con-products are likely to be main-tinues to be regulated to balance tained even though dollar export

ucts manufacturer. First-half turnover fell to R45.8m

veld's vanadium operations have benefited from closure of uneco(\$21.lm) from R61.9m in the correcomic production facilities.

Sponding period of 1984. Operating income before interest and tax was.

tons even though export prices of ferro-silicon and ferro-manganese have weakened. In 1984 as a whole, the shower was R120.6m, operating profit R17.04m and pre-tax profit R12.74m.

153,463 tons of ferro-alloys were Mr Peter Fathariy, managing discovered and pre-tax profit R12.74m. rector, says order books showed

Northgate in the red

BY KENNETH MARSTON, MINING EDITOR

Canadian gold and copper producer, revenue falling to C\$27.88m in the lost a further C\$795,000 first half of this year (U.S.\$585,000), or 7 cents a share, in the second quarter of this year.

The loss for the first six months this year after improved efficiential or the first six months the product of the

ably the sale of part of the holding in Whim Creek Consolidated service this debt and provide better Reduced metal production and a metal prices.

NORTHGATE EXPLORATION, the lower gold price resulted in metal

of 1985 is thus brought to CS2.02m cies and a 15 per cent fall in costs. compared with a profit of CS9.35m Northgate's Chibougamau mines in the first half of last year when there was a non-recurring gain of the compared with a compared with the compared with a profit of CS9.35m. Northgate's Chibougamau minest the compared with a profit of CS9.35m. Northgate's Chibougamau minest the compared with a profit of CS9.35m. Northgate's Chibougamau minest the compared with a profit of CS9.35m. Northgate's Chibougamau minest the compared with a profit of CS9.35m. Northgate's Chibougamau minest the compared with a profit of CS9.35m. Northgate's Chibougamau minest the compared with a profit of CS9.35m. Northgate's Chibougamau minest the compared with a profit of CS9.35m. Northgate's Chibougamau minest the compared with a profit of CS9.35m. Northgate's Chibougamau minest the compared with the c

Growing strength of RNP Group **BNP Group**



The 1984 results reflect the strength of our efforts. BNP completed the year with its financial structure larger and stronger than ever. The national and international involvement of the Group makes it imperative that we should maintain our efforts. This will continue to be our objective in the years to come. Net profit increased by 14.2% to FF1.7 billion and shareholders' funds by 25% to FF16.2 billion.

In France. Additional services were provided for private customers. Over 600 automatic teller machines were installed by the end of the year. Customers with Post Office personal computers were able to handle their accounts from home. Special savings accounts were introduced for young people. For businesses, new ventures were helped by means of specific development loans. Small and medium size companies also received special help. BNP appointed financial advisers throughout France to assist companies, and access to the bank's computing facilities provided a valuable service. Banexi, BNP's merchant bank, invested FF133 million in industry.

BNP's mutual fund business increased by almost 50%. The bank was manager or co-manager for over 100 new issues, more than any other French bank.

Worldwide. BNP increased the size of its network in Europe, North and South America, Asia and the Pacific Basin. It is the leading French bank for the provision of export finance services. The total of BNP export credits is more than a third of the total granted by all French banks.

In the international capital markets BNP is again the leading French bank and tenth in the world ranking. In the new ECU market the bank has confirmed its

| · · | | | |
|----------------------------------|------------|------------|---|
| Consolidated figures | FF million | % Increase | |
| Net revenue | 26,094 | + 6.9 | • |
| Profit before tax and provisions | 7,988 | + 1.6 | |
| Provision for doubtful debts | | • | |
| and general risks | 5,145 | 0.0 | |
| Net profit | 1,768 | +14.2 | |

Banque Nationale de Paris

BNP Group Head Office: 16 Boulevard des Italiens, 75009 PARIS Telephone: (010 331) 244 4546, Telex: 280605

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities.

The offer is made only by the Prospectus.

NEW ISSUE

July 26, 1985



Liberty United Bancorp,inc.

300,000 Shares of Common Stock Without Par Value

Price: \$35.25 Per Share

\$20,000,000 8¼% Convertible Subordinated Debentures Due 2010

The Debentures are convertible at any time prior to maturity, unless previously redeemed, into Common Stock at \$43,00 per share, subject to adjustment in certain events.

Price: 100% Plus accrued interest, if any, from August 1, 1985

Copies of the Prospectus may be obtained from the undersigned only in States where the undersigned may legally offer these securities in compliance with the securities laws thereof.

Keefe, Bruvette & Woods, Inc.

J. J. B. Hilliard, W. L. Lyons, Inc.

NEW ISSUE

These Notes have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States of America or to nationals or residents thereof. These Notes having been sold, this announcement appears as a matter of record only.

JULY 1985

U.S. \$100,000,000

Fortune Federal Savings and Loan Association

(Incorporated under the laws of the United States)

Collateralized Floating Rate Notes Due 1992

Credit Suisse First Boston Limited

Bankers Trust International Limited

Crédit du Nord

E.F. Hutton & Company (London) Ltd.

Kansallis-Osake-Pankki

Mitsui Finance International Limited

Morgan Guaranty Ltd

Svenska Handelsbanken Group

Salomon Brothers International Limited

Banque Paribas Capital Markets

Dai-Ichi Kangyo International Limited

Irving Trust International Limited

LTCB International Limited

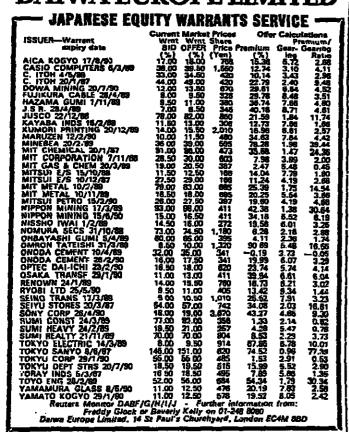
Mitsui Trust Bank (Europe) S.A.

Sumitomo Trust International Limited

S.G. Warburg & Co. Ltd.

Yasuda Trust Europe Limited

DAIWA EUROPE LIMITED



U.S. \$40,000,000



Genossenschaftliche Zentralbank Aktiengesellschaft Vienna

Floating Rate Notes Due 1989

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 13th August, 1985 to 13th November, 1985 the Notes will carry an Interest Rate of 816% per annum. The interest amount payable on the relevant Interest Payment Date which will be 13th November, 1985 is U.S. \$21-40 for each Note of U.S. \$1000 Note of U.S. \$1,000.

Credit Suisse First Boston Limited Agent Bank

INTL. COMPANIES & FINANCE

Chris Sherwell on financing pressures within the island state

Singapore savings fund under fire

FEW QUESTIONS have exerclised Singaporeans more in the
past few months than "The
present 50 per cent, the size of
the Fund has multiplied no
frund. This unique, obligatory
savings scheme cuts heavily
into their monthly incomes,
imposes a payroll-type tax on
their employers and, in the
past year, has become a
sensitive political issue. Some
even feel it is a potential
economic liability.

The government is outefly

The gover

reviewing the way the Fund works and examining possible changes. This review, together with other fundamental economic changes under discussion, suggests that an important turning point is being reached in the way the Singapore government manages its finances, with implications for foreign investors as well as Singaporeans In recent weeks, for example.

it has emerged that the govern-ment is considering developing a wider domestic bond market. a wider domestic bond market. As the CPF's vast funds are invested mostly in government bonds, its role can be expected to change. This has coincided with official talks of greater flexibility in the way the funds will be managed. The CPF, it seems, may be "privatised."

These ideas represent a significant departure for a scheme which, in its conception, is in-

conveniently secures a cheap source of finance, while the Fund can guarantee a reasonable 6} per cent tax-free return on its members' holdings by investing in government bonds.

In the process Singapore has funded its infrastructural development and — the original aim—has established a massive pool to provide financial security for wage and salary earners when they grow old or become disabled. Clever adaptations of the scheme since its ago have allowed the savings to be used to buy flats and houses, to provide for hospital care and to provide for hospital care and the content of the gap.

According to the government in 1884 limit is now \$\$3,000, and it will rise further to \$\$3,500 in a year's time.

Small wonder, then, with a 2½m population being hit in its pocket, that uproar should have ensured last year when a parliamentary committee on the Problems of the Aged recommended — among many other proposals—a rise from 55 to 60, and later 65, in the age at which man's real wages grow at 2 to 4 per cent a year.

The projections, a young man of 22 who started work in 1984 at an average wage of \$\$600 in a month can now expect a balance with the CPF of \$\$110,000 in 1984 dollars when he retires at 1984 to provide for hospital care and even to buy shares in Singapore Bus Service, a publicly-quoted

Bus Service, a publicly-quoted company.

The figures are staggering.

The number of members has increased 10-fold sizes 1055 1.85m. But in the same period, as the economy has expanded

SINGAPORE CPF

| | Members (m) | Contributions (S\$m) | Total balan (S\$m) |
|--------|----------------|----------------------|-----------------------|
| 1975 | 1.10 | 0.89 | 3.24 |
| 1976 - | 7 10 | 1.01 | 4.07 |
| 1977 | 1.25 | 1.12 | 4.95 |
| 1972 | 1.34 | 1.35 | 6,00 |
| 1979 | 1.44 | 1.75 | 7.5 2 |
| 1980 | 1.52 | 2.30 | 9.55. |
| 7981 | 1.65 | 3.01 | 72.15 |
| 1982 | 1.73 | 3.90 | 12.66 |
| 7963 | 1.76 | 4.49 | 19.58 |
| 1984 | 1.85 | 5,39 | 22.67 |
| 1600 | | 4 | ₹24.45 |

to change. This has coincided with official talks of greater flexibility in the way the funds workers who are close to retirement could still be a potential welfare problem. They started contributing when their incomes which, in its conception, is ingenious. Each month 25 per cent of every Singaporean employee's wage or salary is paid into the fund, while the employer must contribute a sum equal to 25 per cent of the salary, on top of what he pays the employee. The government conveniently secures a cheap source of finance, while the

a value greater than his CPF balance.

proportion of wages handed with Singapore currently facing over to the CPF was just 37 its worst economic downturn in per cent. plaints have grown louder, both from employees and employers, as contributions have soared. Increasing numbers of increasing numbers of employers are actually default-ing on their payments.

The Government refuses to lower the rate from the psychologically important 50 per cent mark, saying only that it need not be increased further. It has even proceeded this summer with plans to raise the ceiling on contributions of \$22,500 a on contributions of \$\$2,500 a month, set 12 months ago. This limit is now \$\$3,000, and it will

report that the recommendation was supposed to complement another committee proposal to raise the retirement age (cur-rently 55) in the context of longer life expectancy.

balance. That idea simply got lost: the
The precise effect of this remarkable scheme is difficult to
shadowed everything else, and gauge. Singaporeans squirrel in the face of pressure from its the island state's growth.

candidates called the proposal to increase the age limit a

breach of trust" and, just as. significant, began volcing doubts over the ability of the CPF to repay its members in the future. Their argument was that, as Singapore's youthful population aged, CPF withdrawals would increase and, by the 1990s, would exceed contributions.

The government's own calculations, however, suggest that withdrawals will not exceed contributions before the year likely that further adjustments will have been made for example, encouraging members to withdraw funds over a period rather than all at once.

With increasing numbers of people unhappy about the CPF's take, however, changes are inevitable. An announcement earlier this month, for example, allows Singaporeans to use the funds to buy more than one funds to property—a decision residential propertyaimed equally at boosting a slack real estate market

The move to widen Singa pore's tiny bond market is potentially more significant. Bankers have argued that, with the country's infrastructure developed, the case is growing stronger for a redirection of savings, and for the government to start paying something closer to market rates of interest for its funds.

Moreover, if the country is to progress from an offshore banking hub into a true inter-national financial centre, it must develop its fund manage-ment capabilities. Among other things, that means loosening up the CPF scheme by allowing

managed by others. the implications of such ideas are enromous, and it is a measures of the new flexibility in the Singapore government's thinking that they are circulat-ing. This fits in with the wider discussion now taking place as the government's specially appointed "Economic Commit-tee" hears recommendations

DTC Acquisition Corp.

a newly formed corporation

has acquired

Dunlop Tire Corporation

an indirect wholly owned subsidiary of

Dunlop Holdings plc

We acted as financial advisor to Dunlop Holdings plc.

Goldman Sachs International Corp.

August 1, 1985

U.S. \$100,000,000

The Sumitomo Trust Finance (H.K.) Limited (Incorporated in Hong Kong)

Guaranteed Floating Rate Notes Due 1994



Guaranteed as to payment of principal and interest by

The Sumitomo Trust and Banking Company, Limited

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 12th August, 1985 to 13th February, 1986 the Notes will carry an Interest Rate of 87% per annum. The interest amount payable on the relevant Interest Payment Date which will be 13th February, 1986 is U.S. \$433-59 for each Note of U.S. \$10,000.

> Credit Suisse First Boston Limited Agent Bank

U.S. \$20,000,000

Den norske Creditbank

Floating Rate Subordinated Capital Notes
Due 1990

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 13th August, 1985 to 13th November, 1985 the Notes will carry an interest Rate of 876% per annum. The interest amount payable on the relevant Interest Payment Date which will be 13th November, 1985 is U.S. \$21.56 for each Note of U.S. \$1,000.

Credit Saisse First Boston Limited Agent Bank

4

INT. CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for Aug

| the crosing prices for August 12 | | | | | | |
|--|------------|--|---|--|-------------------|----------------|
| U.S. DOLLAR | - | | | | | |
| STRAIGHTS | boost | SH | Oller | Chen | | |
| Armex Credit 10% 90 | 106 | 101 1 ₂ | 1015g | 487 T | | Yloid |
| Armex Credit 12% 88 | 150 | 10512 | 186 | 0 4 | + 812 | 10.47 |
| Atlant Richted 104, 00 BP Capital 114, 92 | 250 | 951 | 933. | + 63, | + 912 | NL3/ |
| Canada 11'2 90 | 150 | 1013 ₈ | 10178 | + 61 ₈ | + 034 | |
| Consider Page 101, 02 | 500 | 18412 | 105 | + 638 | + 118 | 12.12 |
| Celtadum Pac 121, gg | 100 75 | 997 ₈ | 10036 | D . | + 634 | 10.71 |
| COS Inc 11a 02 | 75 190 | 106 2 | 107 | + 0'a | + 836 | 11,50 |
| Chevron LLSA 124 Rg | 600 | 181 % 194 % | 1015 ₅ 1845 ₃ | + 01g | + 012 | 11,06 |
| Unicom 171 ₂ 95 | 150 | 10078 | 1013g | — 818 + 618 | + 8% | 10.85 |
| Coca Cola 112, 91 | 100 | 1071 | 1075 | + 179 | + 624 | 11.25 |
| Desimark Kingdom 114, 89 | 100 | 102 | 1024 | + 012 | + 034 | |
| Denmark Kingdom 1112 90 Denmark Kingdom 1112 92 | 106 | 10275 | 18376 | + 61 | + 016 | |
| CANTERES KUSINSON 121, 04 | T00 | 101 1 ₂ | 102 | - 01g | - 8½ | 11,08 |
| EDF. 1095 | 100 225 | 163 12 | 110 | + 614 | + 112 | 19.95 |
| LEG 114 90 | 100 | 94 1 ₂ 1023 ₈ | 85 1727 ₈ | + 84 | + 07, | 10.00 |
| EIB. 1295 | 200 | 1057 | 10614 | + 01g + 03g | +05 | 10.32 |
| E1B. 13 96 | 200 | 1095 | 1101g | - 0% | + 11 ₀ | 11.95 |
| Export Dev Corp 10 90 Export Gev Corp 12 89 | 100 | 987 ₈ | 993, | + 6% | +0- | #1.27 |
| FBC Dan Shows 101, no | 100 | 18514 | 10534 | + 016 | + 078 | 10.30 |
| FORG Motor Cred 113, pa | 186 188 | 551 ₈ | 955 ₈ | + 814 | - 8 % | 10.90 |
| FORG MOTOR Conv. 115. Oc | | 1913 <u>.</u> 181 | 182 ¼ 181 ½ | + 81g | + 694 | 10,75 |
| FORE Motor Cred 113, 92 | 100 | 1015 ₈ | 102 12 | + 612 | + 634 + 118 | 11.26 |
| FUTO MOZOF COMP 12 OR | 100 | 10314 | 1033. | + 018 | + 020 | 11.35 |
| Gen Elec Credit 101, 00 GMAC 101, 89 | 200 | 100 | 10012 | | + 028 | 18.20 |
| 8M Credit 10s 2000 | 200 300 | 109 | 100 1 ₂ | + 018 | 0 | 18,14 |
| Japan Ar Lines 132, 94 | 180 | 181 % 115 | 1016 ₉ | + 81g + 81g | 8 +1 | 18.17 |
| Keliogo Company 10% on | 100 | 101 'z | 102 | + 814 | | 70.43 18.32 |
| Kellogg Company 114, 92 | 100 | 10215 | 103 | + 5% | +112 | 10.61 |
| LT.C.B. 12% 91 Macy Cred Corp 11% 85 | 100 100 | 1085 _B | 109 % | + 03 ₈ | + 118 | 10.82 |
| Mellon Bank 13 87 | 100 | 183 1051 ₄ | 103 '2 105 '4 | + 014 | - 86 | 11.15 |
| Memil Lynch 124, 89 | 100 | 19514 | 10534 | + 814 | + 878 | |
| Minnesota 1112 87 | 100 | 18278 | 1035 | - 018 | + 638 | £.73 |
| Matsul Trust 114, 90 | 100 † | 192 | 1021 ₂ | 0 | +1 | 10.99 |
| Morgan Guerenty 124, 89 Pennsy J.C. 124, 91 | 150 100 | 1051 ₂ | 186 186 | + 818 | + 850 | 18.57 |
| Pru Reeky secs 124, 95 | 548 | 105 ½ 105 | 185½ | - 84 ₈ + 81 ₈ | — 818 + 858 | TT.200 |
| Centes Airvays 104 95 | 140 | 97% | 9778 | + 014 | + 878 | 18.77 |
| Quebec Hydro 11'2 92 | 100 | | 103 | - 014 | + 0% | 10.91 |
| Cuserniand Govt 101, 25 Raidon Purina 113, 25 | 100 150 | 96 ³g. | 965 ₅ | + 814 | +1% | 10.86 |
| Refston Purms 124, 89 | 100 | 10278 10614 | 1933 ₆ 1963 ₄ | + 914 - 016 | | 11.18 19.71 |
| Saskeichewen 10s, 92 | 100 | 180 🛈 | 1005 | + 014 | + 17a | |
| Sankalchewan 117a 89 | 100 | 1946 _B | 10518 | 6 | | 10.37 |
| S Wales Tray 117, 90 Swed Exp Cred 10 92 | 150 | | 10478 | + 814 | | 10.43 |
| Swed Exp Cred 124 890W | 100 100 | 57 1053₄ | \$71 ₂ | + 878 | + 114 | 10.S |
| Sweden Kingdom 10° 90 | 200 | 18114 | 10134 | + 814 + 814 | +118 | 18.54 10.43 |
| Sweden Kingdom 11'2 88 | 200 | 10314 | 18334 | +0% | + 84 | |
| Sweden Kingdom 112, 94 | 186 - | 1037 ₈ | 19436 | + 828 | + 054 | 11.80 |
| Tenneco Corp 10% 95 Texaco Capital 11% 95 | 150 | | 595 ₉ | + 6% | + 🅰 | 10.84 |
| Texaco Capital 12% 87 | 250 300 | 993 ₄ 1851 ₈ | 180 l ₄ 1855 ₈ | + 61s + 81s | + 6% | |
| Tokai Asia 11'2 95 | 100 | 101-5 | 1021 | - 0% | + 6%; | 11.11 |
| Victorian Rep 11% 92 | 150 | 18374 | 18334 | +6% | +118 | |
| World Bank 1214 94 | 150 | 107 | 19712 | + 014 | +1 ' | 18.94 |
| World Bank 12% 94 | 200 | | 131 | +0% | + 478 | 894 |
| . Average price d | mge vii (| -7 + 0 | -B cas A | OSE + 9 | - | |

| | | | • | | • |
|----------------------------------|----------|---------------------|------------------|-------------------|-------------------------|
| DEUTSCHE MARK | | | | Chan | 10 CM |
| STRAIGHTS | lease of | 1 1564 | Oller | | work Yield |
| Asian Dev Bank 8 94 | 200 | | 10578 | | + 612 7.01 |
| Austria,Republic 7% 94 | 200 | 1845 | | Ď | + 0% 6.63 |
| Baxter Travenci 71, 94 | 200 | | | - 814 | - 8ºa 6.77 |
| Copenhagen 7% 95 | 150 | | 10210 | | + 6% 7.11 |
| Credit National 8's 94 | 200 | 10634 | | | + 95, 7.93 |
| E.I.B. 714 94 | 300 | | 1927s | | |
| Escora 8 92 | 150 | 951 ₈ | \$57g | 0 _ | + 8% 8.91 |
| Ex-Im Bk Korea 7% 90 | 100 | 983a | 9836 | - Pa | - 112 7.50 |
| Ferrovia Dello Stato 8 91 | 100 | † 1841 ₂ | 105 % | | + 870 6.20 |
| Finland Republic 7 92 | 200 | † 101 | 102 | | + 638 6.69 |
| Gould int Fin 74, 91 | 100 | f 1911 ₂ | 166 2 | 9 | + 6% 6.55 |
| Ireland 8% 92 | 150 | <u>†</u> 105 ¯ | 106 | B. | - 6 ² 8 7.06 |
| Japan Fin Corp 7% 91 | 100 | 19326 | 104 B | | - 012 6.02 |
| Mitsubishi Hvy 312 89WW | 300 | 138 12 | 1314 | + 678 | + 8½ -418 |
| Midsubishi Hvy 3½ 85XW | 300 | 9214 | 23 | + 179 | +1 5.89 |
| Matsubishi Met 31, 89WW | 100 | 1051 ₂ | 10512 | 0 | + 0% 1.68 |
| Mitsubishi Met 3's 8EXW | 100 | 887 | 965 ₈ | + 814 | + 874 6.00 |
| Cuebec Hydro 7 s 95 | 200 | 10178 | | | |
| Rente 74 95 | 100 | 1435 ₈ | 19438 | - 81 ₄ | + 95, 7,18 |
| Renova 34 90 | · 80 | 10012 | 16512 | - 112 | - 4% 254 |
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| Societe Cent Nuclear 8 91 | 100 | 1974 | 106 | · + #15 | + 64: 6.40 |
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| STRAIGHTS | | | | day | week Yold |
| Alincan Dev Bit 64 94 | 100 | † 1201 12 | 19134 | + 814 | — 614 6.0 1 |
| Avon Cao Coro 5% 94 | 130 | † 59 % | 98 12 | 0 | + 014 5.48 |
| Brit land Comp 61- 99 | 75 | 1 1927-2 | 10234 | - 812 | - 84 62I |
| Council of Europe 5 92 | 120 | † 1021 ₂ | 10234 | + 019 | + 11>5.55 |
| Crediterelati 512 94 | 100 | + 25 " | 9834 | | + 8 4 5.69 |
| Deutsche Bk Fin 5% 95 | 100 | 1007 | | 0 ~ | |
| | 120 | 118134 | | | + 814 5.58 |
| EIR 5% 94 | | | | | +1 500 |
| Export Dev Corp 5% 92 | 125 | † 18172 | | | |
| Gen Occidentale 41: 94 | 80 | † 1023 ₄ | | | + 014 4.12 |
| i C Industries 5% 94 | 125 | † 95% | 196 | | 0 5.54 |
| and Fund Fin 54, 94 | 40 | † 1001 ₂ | 10934 | • | + 012 5.66 |
| int - Am Dev Bk 61a 94 | 120 | † 101 's | 102 | +012 | − 07g 5.87 |
| N.Zealand steel 5% 96 | 70 | † 99 | 9914 | 0 _ | + 014 5.85 |
| Oberos Kitwik 5% 95 | 100 | # 981a | M 19 | ă | 8 5.60 |
| | 125 | 100% | | + 014 | |
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| Tokyo Elec Per 5'2 93 | 120 | | | • | 0 5.73 |
| Tokyo Metropolis 514 84 | 80 | *# ½ | | – 874 | |
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| YEM STRAIGHTS Finland Republic 64 90 Gdy Th & Rubber 74 95 Mort Bk Denmark 7 92 New Brunswork 74 95 World Bank 64 90 4 90erage pri | 10 25 | 9834 10914 1013 ₈ 1003 ₈ | 1005 ₈ 991 ₄ 1803 ₄ 1017 ₈ 1007 ₈ | - 8% + 6% + 8% 0 | week. Yield + 014 5.54 + 614 7.25 + 618 6.90 + 016 6.39 + 016 6.45 |

| | | | | Chang | |
|--|------------|-------------------|---------------------------|-------|--------------------------|
| OTHER STRAIGHTS | isqued | | Offer | day | week Yield |
| Australia Com 127, 905A | 125 | 1027 ₀ | | + (39 | |
| Concorp Aust 1312 BESA | 40 | 101 % | 10218 | | |
| CSR Finance 131, 80 SA | 40 | 109 | 101 | + 6% | |
| Nesho heei 134 80 SA | 30 | 100 | 191 | + 818 | R 13.86 |
| Amex 101 90 CS | 50 | 100% | 10114 | + 814 | + 874 18.46 |
| Genster Fin 114 95 CS | 75 | 977a | 963 ₈ | +8% | + 11a 12.07 |
| Hamel - West's 10% 9505 | 25 | t 95 % | 955a | 9 | + 636 11.55 |
| Lobizw Cos 114, 92 CS | 50 | † 98% | 100 ¹ e | + 012 | + 114 1158 |
| New Brungwick 114, 8505 | 75 | † 100°s | 18114 | + 818 | + 1% 11.43 |
| Shell Canada 114 82 CS | 75 | 18814 | | | |
| Winnipeg City 104, 90CS | 50 | 983. | 9914 | + 8% | |
| BP Capital 16 88 NS | 50 | 985 ₈ | 995a | | - 81 ₂ 16.38 |
| Danish Ex Fin 16's 90NS | 40. | 95 le | 964 | | - 012 17.45 |
| KB 15ma 164, 90 NS | 50 | 9724 | | | |
| CALT 94 B2 EQU | 75 | 1085 | 1073 | | |
| CALT 9% 96 ECU | 75 | | | | + 8% B.22 |
| Eurofane 9% 93 ECU | 50 | 195 | | + 64 | |
| Eurofice 75 92 FL | 50 | 18414 | | 6 77 | + 0% 8.54 |
| Philipa Lacros 75 90 FL | 100 | 10614 | | + 815 | |
| Renk Xerox 8 90 FL | 100 | | 10530 | | - 8 % E.EE |
| Van Lanschot 71/2 90FL | 50 | | 10338 | | + 03a 6.71 |
| World Bank 712 90 FL | 150 | | | + 048 | |
| EM France 11's 90 FF | 700 | 2504 | 10014 | + 6% | |
| Amer Express 113, 92 C | 30 | 1026 | | | - 61- 10.72 |
| Australia Comm 11 92 £ | 40 | 1814 | | | + 814 TLOR |
| BP Capital 104, 92 f. | 50 | 9634 | 9974 | | + 612 19.55 |
| ELB. 114 88 £ | 50 | | 10958 | + 8% | |
| GMAC UK Fin 10'2 90 £ | 30 | 983 ₈ | 987 ₈ | + 014 | |
| Imp Chem inds 114, 95 E | 75 | | | | + 8% 11.28 |
| Inco 124 93 £ | 50 | | 1031 ₈ | | |
| Mcdonalds 10% 90 C | 40 | 991 ₈ | 255 | • | + 83 ₈ 11.82 |
| Privathenion 117a 92 £ | 20 | 9974 | | + 8% | |
| Rank Xerox 11 92 E | 40 | 987e | 36°2 | | + 9% TL16 |
| Royal Trustoo 11Pa 90 £ Star Drug Cap 10Fa 90 £ | 30 30 | 100 | | + 629 | |
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| ECCC 10- MIE | 100 | THE PERSON | | • | T 0'4 1946 |

| • | | | | | | |
|--------------------------|------------|------------------|--------------------|-------------------|-----------------|-------------|
| FLOATING RATE | | | | | | |
| MOTES | Spread | Mei | Offer | Calle | Co | or C.yhd |
| Basco di Rome 54 92 | 0 | 9874 | 995 | | 75 | |
| BankAmerica O/S 514 86 | D'a | 907a | 1000 | 220 | B1a | 1.11 |
| Bank of Montreal 5 98 | 04 | | 1072 | 297 | 22 | 122 |
| Benkara Truet 5 2000 | Ŏ | 995e | 997. | 113 | 7.50 | 7.71 |
| Benkers Trust 514 96 | Ou | 100% | 1003a | 124 | 1.55 | |
| B.F.C.E. 514 99 | 0% | 180 4 | 10012 | 13/9 | 10.06 | 18.02 |
| B.N.P. 5's 96 (July) | De. | 108 | 70014 | 227 | 91 ₈ | 9.11 |
| C.C.F. 54 97 | 0 | 997 ₂ | 1001 ₈ | 22/8 | 104a | 10.63 |
| Chase Man'to 5 2000 | 0 | 9912 | 189 | 948 | 856 | 2.65 |
| Chase Man'in 54 2009 | O'e | 987 ₈ | 10038 | 549 | 7.81 | 7.25 |
| Cilicorp O/S 5% 96 Sep . | 0'8 | 26 58 | 507 ₈ | 19/12 | 11.19 | 11.22 |
| Credit Lyonnals 54 96 | Oυ. | 100% | 10078 | 11/10 | 3.85 | 1.02 . |
| Ireland 54 07 | G | | 100°B | | 9.00 | 2.55 |
| ireland 54 99 | 0 | 10814 | 19912 | 14/9 | 10 | 136 |
| flally, Republic 5 94 | 0% | 100 | | 12/11 | 278 | LĮ5 |
| Lloyds Bank 54 Perp | OF4 | 997 | | | 8 | 7.99 |
| Midland Bank Perp 5 | 0-4 | 995 ₈ | 108 1 ₈ | 19/12 | 818 | 8.14 |
| Nat West Perp 5 | ₽e | 10(% | 1013 | 13/11 | \$ 78 | 9.01 |
| Nat West Perp A 514 S | 04 | 983 ⁸ | 995g | 9 71 | 814 | 8.29 |
| Net West Perp B 54 S | 0⁴ | 99 12 | 9934 | 98 | 514 | 5.27 |
| Queensiand Coal 514 96 | O*e | 1803 | 1005 | 12/ 11 | • | 2.56 |
| Roy Bk Canada 5 2005 | Ps | 55% | 997 ₈ | SÆ | 77e | 7.50 |
| Roy Bk Scot 54, 2005 C | 0 | 87 | 9902 | 24 | 12.81 | 12.91 |
| Sweden Parp 5% | 94 | 186 | 10014 | 91 | 831 | 8.30 |
| Taka: 5% 99 | 0% | 1604 | 100 2 | 12/12 | 818 | 2.09 |
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|-------------------------------------|-------------|---------|--------------------|--------------------|------------------------|---|
| CONVERTELLE . | Cay. | Care. | | - | Clag. | |
| BONDS | date | price | Bid | 05 | day Pres | ı |
| Alipomoto 3 99 | 4/84 | 1053.64 | 1897a | 1107g | + 612 6.00 | • |
| Fanuc 34, 98 | 1/84 | 7032.3 | | 1477a | + 91s 38.45 | |
| Folitsu 3 99 | 5/84 | 1320.9 | 10 'a | 81 h | | |
| Kumagal Gumi 3½ 2000 | 3/85 | | | 14374 | | |
| Marul 31 ₂ 99 | 7/84 | 1182 | | 1291 ₈ | + 3 6.11 | |
| Mitsubishi Elec 2% 00 | 3/85 | 422 | 91 | <u>22</u> ° | - 81a - 8.97 | , |
| Microso 31 ₂ 89 | 2/84 | 2351.2 | 87 h | | - 014 29.19 | |
| Morata 31- 2000 | 7/84 | 2398 | 857 ₈ | 867a | - Fig 3L13 | |
| Nicoco Elec 27, 2000 | 1/85 | 1295 | 2214 | 2314 | - 6% 32.83 | |
| Nippon Oil Co 3 2000 | 5/85 | 923 | | 1037 | - P. 139 | |
| Nicon Oli Co 314 89 | 3/84 | | 101 | 105 105 | 9 3170 | |
| Oki Sac Ind 312 99 | 10/84 | 805 | 26 ¹ 6 | 17's | -01 313 | |
| . Orient Leasing 514 98 | 6/83 | | 57.'s | 921 ₂ | 1 225 | |
| Sekini House 3.99 | 6/84 | 612 | | 130% | | |
| Sony Corp 2 2000 | 5/85 | | M ₂ | | + 9% 178 | |
| | | | | 6 5 | - 03 ₈ 3.77 | |
| Sumitomo Corp 27, 99 | 5/84 ame | 593 | 118% | | - 1% 1.78 | |
| Taiyo Yoden 31, 2000 | 3/85 | | 86 ¹ 2 | 27 °2 | + 8% -235 | |
| Takada Rikan 3% 2000 | 10/84 | | 100 | 81 | 01 ₂ 31.52 | |
| Tokyo Sanyo Elec 31 ₂ 99 | 12/84 | 772 | | 23 °8 | + 648 3.95 | |
| Toshika Ceramica 3 2000 | 4/85 | 1734.2 | *1,5 | | - P4 1536 | |
| Nippon Of Co 21, 92 SF | 3/84 | | | | - 15 2L97 | |
| Nippon Shinpan Co 2 92 SF | 3/84 | | 96 | 99 12 | - 24, 11,8 5 | |
| Asics 5 92 DM | 12/83 | | 106 | 10714 | - 84 27 2 | |
| Suza Rassilly 64, 92 DM | 283 | 338 | 275 1 ₈ | 7/3 ⁷ 8 | + 312 -000 | |
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No information available-previous day's price, 1 Only one market maker supplied a price.

te The yield to redeseption of the mid-price; the same

g Reto Moteur Dunominated in dollars unless otherwise Indicated. Con-chemn is ministern. C. data — Date next coupen becomes effective. Syrand largin allows alth-mosts efformed pate (174 there mostles, 5 shows meens rased U.S. dellars. C.spn. — current coupen. Ca. yld — current yield.

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US\$175,000,000

FLOATING RATE CERTIFICATES DUE 1990

PAYABLE SOLELY FROM THE PROCEEDS OF A LOAN MADE TO



DELL'ITALIA MERIDIONALE For the three months
12th August 1985 to 12th November 1985 the certificates will carry an interest rate of 8% per annum with a coupon amount of US\$212.43 per US\$10,000 certificate, payable on 12th November 1985.

Bankers Trust Company, London
Reference Agent

TO THE HOLDERS OF



THE LTV CORPORATION SUBORDINATED

DUE AUGUST 15, 1995

Notice is hereby given that the interest rate to be paid on The LTV Corporation's Subordinated exchangeable variable Rate Notes for the period August 15, 1985 through November 14, 1985, as deter-mined in accordance with the provi-sions of the indenture, is 10.46%

U.S. \$40,000,000



Christiania Bank og Kreditkasse

(Incorporated in the Kingdom of Norway with limited liability)

Floating Rate Subordinated Capital Notes Due 1991

In accordance with the provisions of the Notes, notice is In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 13th August, 1985 to 13th November, 1985 the Notes will carry an Interest Rate of 8th per annum. The interest amount payable on the relevant Interest Payment Date which will be 13th November, 1985 is U.S. \$21.56 for each November \$11.5 cm 000

Note of U.S. \$1,000. Credit Suisse First Boston Limited Agent Bank ELECTRICITY GENERATING AUTHORITY OF THAILAND U.S.\$60,000,000 teed Floating Rate Notes due 1988/1991

Unconditionally guaranteed as

to payment of principal and interest by The Ministry of Finance of

THE KINGDOM OF THAILAND In accordance with the provisions of the Notes notice is

hereby given that the rate of interest for the period 12
August 1985 to 13 February 1986
has been fixed at 815 per cent
per annum. On the 13th February 1986 interest of US\$440.02 per US\$10,000 nominal amount of the Notes, and interest of US\$11,000.43 per US\$250,000 nominal amount of the Notes will be payable against coupon No 5.

Agent Bank Saudi International Bank Al-Bank Al-Saudi Al-Alami This Notice does not constitute an offer of securities of Standard Chartered PLC but does require action on the part of the holders of the Notes referred to below.

Standard Chartered Finance B.V.

Exchange of

U.S.\$300,000,000 Junior Guaranteed Undated Floating Rate Notes, issued in November 1984,

U.S.\$300,000,000 Undated Primary Capital Floating Rate Notes (Series 2) of Standard Chartered PLC plus U.S.\$7,000 per U.S.\$1,000,000 principal amount exchanged

The purpose of the exchange is to replace the Notes of Standard Chartered Finance B.V. with new notes of Standard Chartered PLC which will be regarded as primary capital in accordance with the Bank of England's current requirements on the primary capital of United Kingdom banks.

Standard Chartered PLC offers to make the exchange on the following basis:

For every U.S.\$10,000 principal amount of Notes of Standard Chartered Finance B.V.

U.S.\$10,000 principal amount of Primary Capital Notes of Standard Chartered PLC one Credit Note for U.S.\$70.

Exchange Proposals: This Notice is published in connection with proposals being made by Standard Chartered PLC ("Standard Chartered") to offer in exchange for the existing U.S.\$300,000,000,000,0000.000.000 grincipal amount have been tendered for exchange, Standard Chartered will, subject to paragraph (e) above, be tendered for exchange those Notes.

Standard Chartered's share capital, Interest on the Primary Capital Notes will, subject to paragraph (e) above, be nevertheless, exchange those Notes.

Standard Chartered's share capital, Interest on the Primary Capital Notes will, subject to paragraph (e) above, be nevertheless, exchange those Notes.

Standard Chartered's share capital, Interest on the Primary Capital Notes will, subject to paragraph (e) above, be nevertheless, exchange those Notes.

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Standard Chartered's share capital, Interest on the Primary Capital Notes will, subject to paragraph (e) above, be nevertheless, exchange those Notes.

Standard Chartered's share capital, Interest on the Primary Capital Notes will, subject to paragraph (e) above, be nevertheless, exchange those Notes. issued on 7th November, 1984:

a new issue of U.S.\$300,000,000 Undated Primary Capital Floating Rate Notes (Series 2) (the "Primary Capital Notes") of Standard Chartered; and

(b) obligations of Standard Chartered (the "Credit Notes") entitling holders to cash upon exchange. The exchange of Notes for Primary Capital Notes together with Credit Notes would take place on 7th November, 1985, which is the next interest payment date of the Notes. The coupon due on the Notes on that date will be paid by Standard

Chartered Finance B.V. The Credit Notes will be payable in

cash by Standard Chartered on that date.

Full details of the exchange proposals and the Primary Capital Notes and Credit Notes are contained in a Circular to Noteholders issued by Standard Chartered dated 13th August, 1985. Copies of the Circular (together with the related Form of Acceptance and Voting Instruction) may be obtained from the operators of the Cedel and Euro-clear clearance rms or any of the other addresses listed below. The attention of U.S. Noteholders is drawn to the detailed

provisions concerning them set out in the Circular. A Meeting of Noteholders will be held on 4th September, 1985 at which an extraordinary resolution will be proposed to sanction the exchange proposals. If passed, the extraordinary resolution will be binding upon each Noteholder (and the holder of each coupon and tation appertaining thereto). whether or not present at the Meeting or voting on the extraordinary resolution and the whole issue of Notes will be exchanged on 7th November, 1985 for Primary Capital Notes and Credit Notes.

Primary Capital Notes: The terms of the Primary Capital Notes incorporate the principal features of the Notes, whilst taking account of current law and practice in relation to the primary capital of United Kingdom banks. In particular, your attention is drawn to the following:

(a) The Primary Capital Notes will be issued by Standard Chartered and will be subordinated to the claims of all unsubordinated creditors of Standard Chartered and all subordinated creditors of Standard Chartered other than those whose claims rank or are expressed to rank pari passu with or iunior to the claims of the holders of the Primary Capital Notes in that no principal or interest will be payable in respect of the Primary Capital Notes except to the extent that Standard Chartered could make such payment and still be solvent immediately thereafter.

(b) In the event of the winding up of Standard Chartered, Standard Chartered will, subject to paragraph (a) above, be obliged to pay in respect of the Primary Capital Notes such amounts as would have been payable if the holders had, on the day preceding the commencement of such winding up, become holders of preference shares in the capital of vinding up over the holders of all other classes of shares in the capital of Standard Chartered and entitled to receive in a winding-up an amount equal to, in respect of the Primary Capital Notes, the principal amount of the Primary Capital

(c) Standard Chartered will not be obliged to make payment

to make any payment of principal or interest for a period of 15 days or more after the date on which it is obliged to make such payment, or would be so obliged but for the provisions of

Application has been made for the Primary Capital Notes to be admitted to the Official List of The Stock Exchange of the United Kingdom and the Republic of Ireland.

A description of the Primary Capital Notes is set out in the Circular and is also contained in the new issue cards circulated by Extel Statistical Services Limited.

Meeting of Noteholders: The quorum at the Meeting of Noteholders to sanction the exchange proposals will be certificates and/or being proxies and being or representing in the aggregate a clear majority in principal amount of the adjourned to 18th September, 1985 at the same time and place. The extraordinary resolution will not be proposed at any adjourned meeting unless a quorum is present of persons present in person holding Notes and/or voting certificates Standard Chartered of a class having a preferential right in the and/or being proxies and being or representing in the aggregate not less than one-third in principal amount of the

In order to be passed, at the Meeting or any adjournment thereof, the extraordinary resolution must be carried by a majority consisting of not less than three-fourths of the votes cast thereon in accordance with the provisions of the Trust of interest on the Primary Capital Notes during any interest period if, during that interest period, no dividend or other of Acceptance and Voting Instruction will be voting in favour of tribution has been declared, paid or made on any class of the extraordinary resolution.

Adviser to the exchange proposals: Credit Suisse First Boston Limited

ACTION REQUIRED

To tender a Note for exchange, you should obtain from any of the addresses listed below a Form of Acceptance and Voting Instruction (and Circular) and complete and return the Form by not later than 11.30 a.m. (London time) on 2nd September, 1985. A holder of Notes in Cedel or Euro-clear should, to tender a Note for exchange, obtain the Form (and Circular) from the operator of such system and complete and return the Form to such operator by not later than 10.00 a.m. (Brussels time) on 30th August, 1985.

TRADING

Arrangements have been made for the continued trading of the Notes through Cedel and Euro-clear pending the outcome of the exchange proposals as

(a) Cedel and Euro-clear have opened separate clearing accounts, respectively numbered 273520 and 13568 (the "Assented Accounts"). Upon receipt of a duty completed Form of Acceptance and Voting Instruction in respect of Notes tendered for exchange, Cedel or Euro-clear, as the case may be, will transfer such Notes (the "Assented Notes") to their respective Assented Account. If the extraordinary resolution of Noteholders is passed, all Notes will thereupon become Assented Notes.

(b) Trading may take place in both the Notes and the Assented Notes but not between the Notes and the Assented Notes. Until 7th November, 1985 or the exchange proposals lapse, Assented Notes may not be traded for settlement (i) outside the relevant Cedel or Euro-clear Assented Account; (ii) after 7th November, 1985; or (iii) for 48 hours prior to the time of the Meeting (or any adjournment thereof).

(c) If the exchange proposals become effective, the Assented Notes will be credited on 7th November, 1985 to the new Primary Capital Notes clearing

(d) If the exchange proposals lapse, the Assented Notes will be transferred back to their original clearing accounts. Similar arrangements have been made for the continued trading of Notes in respect of which Cedel or Euro-clear may receive instructions merely to vote on the extraordinary resolution as referred to in the Circular.

Notice of Meeting

a Trust Deed (the "Trust Deed") dated 7th November, 1984 and een Finance (1), Standard Chartered PLC (2) and The Law Debenture Trust Corporation p.l.c. (the "Trustee") (3) will be held at 37 Gracechurch Street, London EC3V OBX on 4th September, 1985 at 11.30 a.m. (London time) for the purpose of considering and, if thought fit, passing the Notes may be deposited at, and following extraordinary resolution in accordance with the from, any of the Paying Agents. provisions of the Trust Deed:

Extraordinary resolution:

"That this Meeting of the holders of U.S.\$300,000,000 Junior Guaranteed Undated Floating Rate Notes (the "Notes") of Standard Chartered Finance B.V. hereby sanctions the exchange of all of the Notes for U.S.\$300,000,000 Undated Primary Capital Floating Rate Notes (Series 2) and Credit Notes of Standard Chartered PLC upon and subject to all the terms and conditions of the basic exchange proposal made by Standard Chartered PLC in its Circular dated 13th August, 1985 to the holders of the Notes and assents to the implementation of such basic exchange proposal in accordance with its provisions and otherwise in accordance with the terms of the said Circular"

Dated 13th August, 1985 By order of the Board of Standard Chartered Finance BV.

D, L. Millar Managing Director

To attend and vote at the Meeting, Noteholders must produce either their Notes or voting certificates. To obtain a voting certificate Noteholders must deposit their Notes at any time with any Paying Agent not later than 48 hours before the time fixed for holding the Meeting or adjourned Meeting but not

Notice is hereby given that a Meeting of the holders (the "Noteholders") of the U.S.\$300,000,000 Junior Guaranteed Undated Floating Rate Notes (the "Notes") of Standard Chartered Finance B.V. ("Finance") which are constituted by at the Meeting or at any adjournment thereof in respect of such Notes and that such Notes will not be released until the earlier of (a) the conclusion of the Meeting or any adjournment thereof or any poli taken thereat or (b) the surrender of such voting certificate to the Paying Agent which issued the same. Notes may be deposited at, and voting certificates obtained

> Should a Noteholder not wish to be present in person he may either deliver his voting certificate to the person he wishes to attend on his behalf or give voting instructions to the Paying Agent with which the relevant notes are deposited at the time of such deposit being not less than 48 hours before the time for the Meeting or any adjournment thereof.

> > For enquiries please ring:

Standard Chartered PLC 01-623 7500 ext 2206/2089

Credit Sulsse First Boston Limited 01-634 3000 ext 3430

Copies of the Circular can be obtained between the date hereof and 4th September, 1985 from: Standard Chartered PLC,

10 Clements Lane, Lombard Street, London EC4N 7AB Standard Chartered Bank,

73-79 King William Street, London EC4N 7AB Morgan Guaranty Trust Company of New York,

35 Avenue des Arts, Brussels 1040 Banque Générale du Luxembourg S.A., 14 rue Aldringen, Luxembourg

Standard Chartered Bank AG, Bleicherweg 62, CH-8002 Zurich Credit Suisse First Boston Limited,

22 Bishopsgate, London EC2N 4BQ Copies of the Circular may also be collected from the Company Announcements Office of The Stock Exchange until 15th August, 1985.

The Primary Capital Notes have been accepted for clearance on issue through Cedel (reference no. 273554) and through Euro-clear (reference no. 13611).

Arrangements have been made with the operators of Cedel and Euro-clear for the exchange of Notes held therein. Further particulars are contained in the Circular, . which will be sent by such operators to their account holders.

Clayform

stake in

By David Goodhart

buys 11.6%

terday announced the pur-chase of an 11.6 per cent stake in the Liverpool-based

department store chain, Owen Owen, for £3.3m. Owen Owen's 21 stores have

TDG ahead £1.2m at six months

raised from 1.6p to 1.7p net.

In the UK the transport and show storage companies produced increased profits. Trading started quietly but accelerated in April.

May and June.

The haulage results were remained by losses incurred in tors predicted by losses incurred in the establishing the overnight express prediction.

freight business. The directors point out, however, that much progress has been made and that the losses have been substan-

They add that subject to the trend continuing the business will be in overall profit in 1986.
The cold storage undertakings did well but some of the recent did well but some of the recent investment in distribution projects only became fully productive by the end of the half year.

In Europe the transport companies largely held their own while in the U.S. and Canada the reinforcement businesses made a "spectacular" recovery compared with the same period of the previous year. The directors and at the operating level profits from £13.41m to £13.65m before taking in £4.22m, compared with a previous £3.37m.

A divisional breakdown of UK operating profits shows: road taulage £2.86m (£2.51m), storage £5.63m (£4.61m), plant hire and other transport services £578,000

predictable impact of exchange rate movements.

They say if rates ruling at December 31, 1984, had been applied at June 30, pre-tax profits for the first six months of 1985 would have been some £560,000 creater.

would have been some £560,000 greater.
Group turnover for the period rose from £205,05m to £229,32m and at the operating level profits pushed shead from £13,41m to £15,65m before taking into account net interest charges of £4,42m, compared with a previous £3,37m.

DESPITE a rise of £1.05m in interest charges Transport Development Group increased its first half pre-tax profits from a restated £10.04m to £11.23m.

The interim dividend is being raised from 1.6p to 1.7p net.

In the UK the transport and storage companies produced increased profits. Trading started quietly but accelerated in April. May and June.

The haulage results were affected by losses incurred in establishing the overnight express

continue to be optimistic about their immediate future.

(£751,000), and reinforcement hopelessly optimistic. The venture and e x h i b i t i on s £761,000 incided with cut-throat competition among road hauliers and good profits remain hard to earn. The first half results from Australia showed no great improvement of £4.22m), £1.39m (£1.57m), and £831,000 incided with cut-throat competition among road hauliers and good profits remain hard to earn. The first half results from Australia showed no great improvement of £4.22m), £1.39m (£1.57m), and £831,000 incided with cut-throat competition among road hauliers and good profits remain hard to earn. The first half results are described as "highly encouraging."

Although the general outlook in most areas of group activity remains encouraging the directors draw attention to the unstablishing the overnight express. £26,000 (£11,000), and £881,000 (£979,000 loss).

Geographically, group operating profits broke down as to UK £9.83m (£8.58m), Europe £3.28m (£3.76m), Australia f1.02m (£1.27m) and North America £1.54m (£213.000 loss).

The losses of the 100 per cent owned express freight business, Independent Express Corporation, amounted to £788,000 for the six months to June 30, 1865, compared with £1.13m for the six months to end-December

tion, amounted to £798,000 for the aix months to June 30, 1865, compared with £1.13m for the six months to end-December 1884.

The group's available profits for the half-year emerged at £68.19m (£5.52m) after deducting tax of £4.35m (£3.57m), minorities of £272,000 (£38.000) and extraordinary debits of £413,000 (£38.000) and extraordinary items.

Comment

Waterford at I£6.7m and set for record

THE CRYSTAL and china divi-sion of the Waterford Glass Group performed particularly well over the first six months of 1985 with full production in all factories meeting strong demand. Overall, group pre-tax profits for the half year advanced to 166.74m (£5.48m), an improvement of 28 per cent over the 165.27m (64.28m) returned for the corresponding half of the previous year.

In view of the improved per-

formance and prospects for the full year, the directors are lifting the interim dividend from 0.9p to Ip net per 5p share
For the opening six months
turnover of this Dublin-based group increased from £111.74m to £124.67m. Pre-tax profits were struck after deducting depreciation of £1.41m (£1.21m) and interest of £2.2m (£2.43m).

The directors say that Aynsley
China, based at Stoke-on-Trent,
is set for another very successful
year, and that the Switzer Group
is attracting a greater share of
the summer retail trade in Ireland.

The Globe Investment Trust
bolds 20 per cent of Waterford's
equity.

Comment

Globe Investment Trust
equity.

other loss and further rationali-sation costs.

John Hinde is continuing to expand its printing and postcard business, especially in the U.S., and is set to produce strong profits growth for the full year.

At present the directors are anticipating record earnings and a further improvement in halance sheet strength for the balance sheet strength for the full year.

The performance of the U.S. market in the second half will largely influence the degree of profits growth.

Available profits for the first half amounted half amounted to £6.11m (£4.97m), equal to 2.87p (2.34p) per share The Globe Investment Trust

They point out that the Smith Glass last August. Since then Group, a Renault distributor in Ireland, is being reorganised, but rise by 44 per cent in the year to meanwhile is heading for another loss and further rationalisation costs.

John Hinde is continuing to expand its printing and postcard business, especially in the U.S., the back of the dollar: if the currenty resumes its decline the back of the dollar: if the currency resumes its decline Waterford will be protected against exchange losses through its extensive hedging operations but will nevertheless face a severe downturn in sales to Americans, be they at home or abroad. The state of the U.S. economy is also crucial to U.S. economy is also crucial to U.S. sales. Meanwhile losses at the Smith Group are set to grow because the costs of rationalisa because the costs of rationalisa-tion are falling on a market which shows no signs of an upturn this year or next. These losses will be somewhat mitigated by the upsurge at Switzer Group, benefiting from the exchange-rate prompted tourist boom. Overall a steady dollar and a slight modulation of the profits growth would produce

Globe Investment Trust must feel well pleased with the 20 per cent stake it took in Waterford of tourist boom. Overall a steady with the shares up 1p at 48p produces a prospective p/e ratio of 8 after a 10 per cent tax

Waterford Glass 1982 '83 '84 '85

Howard Shuttering hit by property sales slowdown

ing of property sales, the second half at Howard Shuttering (Holdings) saw both turnover and profits decline, and left the group with an overall pre-tax downturn — from £0.99m to £0.75m — for the year ended April 30 1985.

The result was further depressed on the bottom line by a much higher tax charge, up from £75,100 to £312,170, to push earnings per share down 4.3p to 3.9p. The dividend, however, is being increased from an equivalent 1.17p to 1.4p with a

The group's principal activities says the chairman.
The property development, plant
The formwork and structures are property development, plant hire and construction related scivities. Turnover for the year slipped from £6.86m to £6.79m, but M J. A. Howard, the chairman, is optimistic for the

Lovat Lane London EC3R 8DT

current outcome—the group has majntained its solid net asset spects for the plant hire and development companies, he says. During the year the group acquired a further small development company, Charles J. Fisk (Developments), and increased the number of sites in the main developments, and both

development company, and both factors should be reflected in increased turnover in 1985-86. The expansion has been financed by longer term borrowing which has maintained the group's working capital "and provides more stable funding,"

division suffered from adverse winter weather and is still not working satisfactorily, despite the efforts being made to return it to break-even.

DIVIDENDS ANNOUNCED

| | Current payment | of s payment | Corre- pouding div. | for year | Total last year |
|--|--------------------|-----------------|---------------------------|-------------|-----------------------|
| Asprey | . 13 | Oct. 1 | 11.5 | 20 | 17.5 |
| Bullersint | | Sept. 23 | ail | | nil |
| Exeter Building:int | | _ | 2 | | 5.6 |
| Grosvenor Properties | . 3.5‡ | _ | 3 | 5.5 | 3 |
| Howard Shuttering | . 0.7 | Oct. 18 | 0.5* | 1.4 | 1.17* |
| Jamesons Chocolates int | . 2 | Nov. 22 | 2 | | 5 |
| Merchants Trustint | . 1.75 | _ | 1.3 | | 3 |
| Transport Devint | . 1.7 | Nov. 7 | 1.6 | | 5.8 |
| Waterford Glassint | . 1 | Nov. 1 | 6.9 | | 2 |
| B4-14-4-4-4-4-4-4-4-4-4-4-4-4-4-4-4-4-4- | | - · · · · · · · | | | |

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock § Unquoted stock. § Irish cur rency.

Granville & Co. Limited

| Over-the-Counter Market | | | | | | | | |
|-------------------------|-----|-------------------------|-------|----------|------------------|------|------|-------|
| Kigh | Low | Company | Price | Change | Gross dıv. (p | | | Fully |
| 146 | 123 | Ass. Brit. Ind. Ord | 135 | | 6.5 | 4.6 | 7.5 | 6.9 |
| 151 | 135 | Ass. Bnt. Ind. CULS | 138 | _ | 10.0 | 7.2 | - | _ |
| 77 | 43 | Ангаргила Станр | 43 | -1 | 6.4 | 14.9 | 7.2 | 9.3 |
| 42 | 26 | Armitage & Rhades | 38 | <u> </u> | 2.9 | 7.8 | 4.7 | 7.9 |
| 159 | 105 | Bardon Hill | 157 | _ | 40 | 2.5 | 18.9 | 20.7 |
| 64 | 42 | Bray Technologies | 63 | +1 | 3.9 | 6.2 | 7.7 | 8.9 |
| 201 | 159 | CCL Ordinary | 159 | _ | 12.0 | 7.5 | 39 | 3.7 |
| 152 | 105 | CCL 11pc Conv. Pt | 105 | _ | 15.7 | 14.9 | _ | _ |
| 130 | 10 | Carborundum Ord | 126 | _ | 4.9 | 38 | 62 | 98 |
| 90 | 83 | Carborundum 7.5pc Pf. | 90 | _ | 10.7 | 17.9 | _ | _ |
| 73 | 46 | Deborah Services | 49 | _ | 8.5 | 13.3 | 4.7 | 7.5 |
| 485 | 182 | Frank Horsell | 485 | | 1.4 | 0.3 | 12.5 | 16.0 |
| 385 | 170 | Frank Horsell Pt.Ord.87 | 370 | | 11.9 | 3.2 | 95 | 12.2 |
| 32 | 25 | Frederick Parker | 25 | _ | _ | - | _ | _ |
| 72 | 33 | George Blair | 72 | +1 | _ | - | 48 | 96 |
| 50 | 20 | Ind. Precision Castings | 22 | | 2.7 | 12.3 | 6.0 | 6.5 |
| 218 | 177 | Isia Group | 180 | _ | 15.0 | 8.3 | 13.8 | 20.7 |
| | | last and Manua | 304 | | - E - E | | *** | -5.0 |

ENERGY RESOURCES & SERVICES INCORPORATED

> Net Asset Value 31st July 1985 \$7.09 per share (unaudited)

STOCKHOLDERS FAR EAST INVESTMENTS INC.

Net Asset Value 31st July 1985 \$2,60 per share (unaudited)

Wolseley-Hughes in £8m deal for Marley outlets

Wolseley-Hughes, the central heating and plumbing supplies merchant, has bought the 39-strong chain of Plum-Center outlets from Marley, the tiles and building materials group for £8m. This deal takes the Wolseley-Hughes network of outlets in the UK to about 140. The company's existing merchants trade under a variety of names such as OBC, YHS (Yorkshire Heating Supplies), and PDM but lack the clear identity of the Plumb-Centra cutlets.

Mr Jeremy Lancaster, Wolseley-Hughes' chairman, said: "Plumb-Center is everything we wanted. It is a good name. We will use it for some of our outlets and open new ones."

before, on turnover which rose to £32.9m from £27.3m. It had adjusted net assets of £647,000 at December 37 £964.

Wolseley-Hughes made a pretax profit of £15.3m on turnover of £218m from its UK distribution business (most of which relates to its builders merchants outlets), in the year ended July

outlets), in the year ended July 31 1984.
For Marley the sale of Plumb-Center ends a potential conflict of interest with its builders' deal also takes Wolseley-Hughes closer to the DIY market. It currently concentrates on the build-

"Plumb-Center is everything we wanted. It is a good name. We will use it for some of our outlets and open new ones."

Wolseley-Hughes is paying nearly £879,000 for Plumb-Center's share capital and is taking on £712m worth of debt and bank overdrafts in a deal which it is funding from its own cash resources.

Plumb-Center increased pretax profits to £1.05m in the 1984 three years ago now operates from more than 80 locations.

Revamped Bullers expands

THE RECOVERY continues at which show a continuation of the the slimmed down and reorgan-recovery trend of last year, ised Bullers, and the group, a Interim pre-tax profits were up manufacturer of ceramic products based in Stoke-on-Trust, is £50,000 short of the result for set for expansion with a bid the last full period.

As an expression of confidence

other original designs from its premises in the Bournemouth area, for the fixed assets, goodarea, for the nxed assets, good-will and £250,000 worth of stock. This amounts to a total of £541,000. payable on comple-tion, and the terms provide for further payments, subject to sales related performance, up to the maximum.

Also announced along with

the purchase were the group's figures for the first half of 1985,

LADBROKE INDEX 961-965 (+8) Based on FT Index Tel: 01-427 4411

Wells Fargo & Company U.S. \$250,000,000

Floating Rate Subordinated Notes due 1997

In accordance with the provisions of the Notes, notice is hereby given that for the Interest period
13th Angust, 1985 to
13th November, 1985
the Notes will carry an interest Rate of 8/14% per annum. Interest payable on the relevant

interest payment date 13th November, 1985 will amount to US\$212-43 per US\$10,000 Note. Agent Bank: Morgan Guaranty Trust Company of New York

worth up to £775,000.

It has agreed terms with for the 1985 outcome, the directory which produces small tors are to resume dividend payaband-made enamel boxes and ments on the ordinary shares of the ordinary shares with an interim 0.5p. The last premises in the Bournemouth dividend was in respect of the area, for the fixed assets, good. 1982 year, and as previously announced the company is also to pay the preference arrears. to pay the preference arrears.

Turnover for the half year
came to £4.26m, against £7,02m.
During the period the group disposed of its high tension insulator division for £2.5m to Fairey
Earnings per share came
through at 1.56p, compared with

COMPANY NEWS IN BRIEF

HARRIS QUEENSWAY, department store chain, has reached agreement with a syndicate of five banks for a £25m loan and acceptance credit facility. The facility, arranged by County Bank, has a seven-year term. Drawings are freely interchangeable between loan and acceptance credits.

SIR LESLIE PORTER, who stepped down last month as chairman of Tesco, has sold 600,000 ordinary shares in the supermarkets group for £1.56m, and £305.000 worth of loan stock for £633.250.

CHOCOLATES JARESONS CHOCOLATES trimmed its pre-tax losses by £6,000 to £113,000 in the six months to June 30, 1985. The loss included investment income of £55,000 (£10,000). The interim dividend is unchanged at 2p. There was a tax credit of £47,000 (£83,000). The directors say the order book for the second half is substantial and should result in

has been accepted in respect of 2,541,043 (91.23 per cent). The balance has been sold in the market at a premium and net proceeds will be distributed to non-accepting shareholders.

Virsni Group, which in June dis-closed an 838 per cent interest in Thomas Robinson, disclosed

Antipest Australia Pty, a wholly owned subsidiary of Elders IXL, for \$1.95m (about £1m). Anti-Pest provides a commercial and domestic pest control and fumigation service in Queensland, W. Antipelia & Australia and Vic.

(£83,000). The directors say the order book for the second half is substantial and should result in a profit for the year as a whole. PRESTWICH ROLDINGS says its rights issue of 2,785,454 shares

UNITED PARCELS offer for York Trailer had been accepted in respect of 9.66m ordinary shares (87.6 per cent) by August 9. The offer has already been declared unconditional.

Asprey raises dividend despite taxation burden

Owen Owen Clayform Properties, which specialises in the develop-ment of shopping malls and high technology factories, yes-

not been peforming strongly in recent years but its share price jumped 110p to 350p last week amid mounting spe-culation of a bid. It closed last night 10p up on the day at 360p. Clayform, which was brought to the U.S.M. in April

brought to the U.S.M. in April with a market capitalisation of £16.1m, is not expected to make a full bid—at least in the near future—and yesterday announced that "there are a number of areas in which co-operation between Clayform and Owen Owen would be beneficial to both companies." companies."
Mr Michael O'Halloran, a

ualify. Explaining the proposal to pur-

Mr Michael O'Halleran, a Clayform director, said the details of co-operation would not be released until the beards of the two companies have met, probably before the end of the month—but it is likely to involve Clayform redesigning several Owen Owen stares. BY MARTIN DICKSON Clayform bought the shares last Tuesday at about £3 each from Morgan Grenfell and a pension fund. The financing of the deal is being everseen

by the company's merchant bankers Samuel Montagu bankers Samuel Montagn —
which also arranged Clayform's purchase last year of
Schofields, the Leeds-based
department store group, for
£16.1m. Schofield's main
store in Leeds is being
redeveloped for £45m to provide 240,000 sq ft of retail
space which will be let to
leading retailers.
With hacking from Samuel
Montagu a full bid would be
possible, although a 40 per of Adams' board.

BSG is now offering 10 of its own shares and 70p in cash for every Adams share. On the basis of BSG's closing price last night of 26p, up 1½p on the day, the offer is worth 330p for each Adams share, with the whole company valued at £5.94m. There is 2.925 a share underwritten

possible, although a 49 per cent stake in the company is held by the Owen Owen is held by the Owen Owen and Norman families.

Owen Owen last year made pre-tax profit of £1.8m on a turnover of £39.2m. Its market capitalisation is £34m but its net assets per share are 547p. Clayform last year made a profit of £1m and is forecasting not less than £2.5m this year. Its share price rose 3p yesterday to 167p.

Plan for USM listing after Sherwood deal

By Lisa Wood

Sherwood Oil, an oil and gas production company, has made a bid for Vintoil SA which is registered in Luxembourg and has interests in oil and gas fields in the U.S. Sherwood already has accep-tances for 34 per cent of Vint-

Sherwood said yesterday that it has been advised that after its offers become uncon-ditional, dealings in its shares will be permitted on the Stock Exchange under Rule 535 (2). It also intends to apply as soon as practicable for its shares to be dealt on the

Formed in the UK this year Formed in the UK this year as an oil and gas production company, Sherwood has acquired interests in three oil producing fields in the U.S. following a £1.2m private placing of shares and stock. Vintoil has an issued share capital of US\$3.8m. Its shares are held principally by UK. French and other Continental investors.

Sherwood's offer follows earlier unsuccessful approaches to merge with Vintoll which Mr Ronnie Althented, oli which Mr Ronnie Aitken, chairman of Sherwood, claimed has never made any pre-tax profits. He forecasts that the enlarged group "will be making profits within its first year of trading."

The offer is six Sherwood shares for each ordinary share in Vintail, and ten shares for in Vintoil, and ten shares for every three founders' shares.

THOMAS ROBINSON and Sens

Australia, S. Australia and Vic-toria; and these operations will be merged with the existing Rentokil Australia operations.

HEAVY TAX has almost croded the directors say a proportion a 2 per cent gain in pre-tax of the liquid assets are surplus profits at Asprey & Co, the jewellers, for the year ended March 31, 1985. However, the dividend is lifted from 17.5p to constrain the rate of profit 20p net, the final being 13p.

The directors propose a two-

of the liquid assets are surplus to present and foreseeable reduirements and the accumulation of surplus cash may in future constrain the rate of profit growth. They are also conscious of shareholders who may wish to realise their investment but are inhibited by the thin market in the company's shares.

The purchase should market are controlled to the company's shares.

leaves the net balance at £437m (£43m), or 70.02p (68.9p) per share.

The scrip issue, the directors say, is desirable to reduce the stock market price of the shares and to increase their market ability—the shares gained £11 to £111 yesterday. Shareholders registered September 12 will qualify.

The company proposes to the company. ordinary holders of £34.3m, no borrowings, and cash balances of the historic p/e of 16.4 after yesterday's 125p rose of £11.5 though nobody could suggest though nobody could suggest Asprey will be in the forefront of the retailing revolution.

The directors propose a two-for-one scrip issue and also plan realise their investment but are enable the company to purchase up to 5 per cent of its own shares. Including a property valuation of £9m, shareholders attributable assets at March 31 were equal to 5729 per share.

From turnover ahead by only 3.38 per cent for £29.2m, the year's profit before tax-increased from £2.2m to £29.2m, the influence of a tax-charge—£3.21m (£1.3m)—adversely affected by the thin market in the company's shares.

The purchase should enable earnings growth having come to benefit from an increased participation in future earnings and dividends. The company is seek-ing at a year's profit before tax-increased from £2.2m to £2.2m to where they have no present intention of stock relief and an increase in UK-based profits leaves the net balance at £4.3m (£4.3m), or 70.02p (£8.9p) per overseas outlets could follow, though presumably very slowly." A stake has been taken in an art gallery in Cork Street, close to Bond Street, which the retailer says demonstrates its resolve to move into similar activities. By that it presumably means high margin specialist retailing with an exclusive clientel. A sizeable upturn this year is forecast amply supporting

BSG lifts terms for Adams

was

was

e on the

at 300p ex-dividend, up 17p

on the day.

basis

might the company is the Grovebell Group, which acquired its 14.29 per cent stake in January at around 200p a share.

Mr Tom Cannon, managing director of BSG, said his company had tried to get agreement from the Adams board at a level a little below the figure that they had finally settled ou.

One factor in BSG's decision to top up its offer had been to top up its offer had been to top up its offer had been involved in involved in the company is the Grovebell Group, which acquired its 14.29 per cent stake in January at around 200p a share.

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One factor in BSG's decision to top up its offer had been involved in the company is BSG International, the motor dealer and accessory manufacturer which last month launched its bid in late July. BSG's initial offer of a takeover bid for Adams and Gibbon, the Newcastle-based for each Adams share was worth 310.5p a share on the its offer and won the backing of Adams' board.

BSG is now offering 10 of its own shares and 700 in each for on the day.

Shares in Adams ended the day at 300p ex-dividend, up 17p on the day.

is a 285p a share underwritten this year mounted an unsuccess-fees that cash alternative. full £4.75m bid for Adams, and involved that compares with Adams' shares held by members and contested.

GKN deal

Guinness waits on clearance | Tomkins' £11m

Aberdeen Steak makes strong start BY RICHARD TOMKINS

Aberdeen Steak Houses made strong start on the unlisted a strong start on the unlisted securities market yesterday in spite of speculation that the flotation could run into difficulties. The 5m shares placed by Fiske & Co at 67p rose to a peak of 75p before slipping back to close 6p up at 73p.

Mr Ali Salih, the chairman and managing director of Aberdeen Steak Houses, previously owned the London Eating Houses group which went into liquida-

group which went into liquida-tion in 1975 with debts of 2750,000.

At the end of last month, Aberdeen Steak House's company secretary, Mr Aziz Suleman, resigned following the appointment of a finance director, Mr William Spouse.

Mr Suleman made a number Mr Suleman made a number of allegations about the way the company's accounts had been put together which have been

Bid approach to Christie-Tyler

Christie-Tyler, the Welsh up-solsterer and cabinet maker, is to make an amouncement today concerning an approach by an as yet unnamed bidder.

A brief statement from Christie-Tyler yesterday said:

"The board has received an approach which may lead to an offer for the connews."

approach which may lead to an offer for the company. Share-holders will be advised as soon as possible of the outcome of these discusions but, in the meantime, are advised to take no action." The shares raced ahead by 29p

of the shares raced ahead by 290 to close at 78p.

Mr Peter Whiting, group financial director, confirmed that a board meeting had been held yesterday but said no details of the bidder's identity were being directed. disclosed. disclosed.
Christie-Tyler is the largest
UK furniture-manufacturer and
supplies one-fifth of the British
upholstered furniture market.

F. H. Temkins, the fast-grow-ing West Midlands engineering group, announced yesterday the completion of its purchase of six

subsidiaries from Guest Keen and Nettlefolds for £10.7m.

and Nettlefolds for £10.7m.

However it is not going ahead
with buying a seventh subsidiary—Firth Cleveland Steel
Strip of Tipton in the West Midlands, and its U.S. associate Firth
Cleveland—which had been part
of the original deal.

Firth product for delicery

of the original deal.

Firth products for delivery to the U.S. are now the subject of steel quota restraints agreed last week between the EEC and the U.S. Mr. Greg Hutchings, F. H. Tomkins' chief executive, said the deal was not necessarily ruled out but the situation would be watched.

be watched.

for French food chain deal

Gulnusss, the brewing and retailing group, is likely to announce shortly that it is to acquire the Hedlard chain of speciality food shops in France.

The agreed bid is awaiting to mount a rival offer to the unwelcome £360m bid from Chargness from the Eranch.

acquire the Heddard chain of speciality food shops in France. The agreed bid is awaiting clearance from the French government. Heddard, with 14 shops, six in Paris, is an independent company owned by M Phillipe Brunon.

Guinness, which is involved in the UK in a highly contested bid for Arthur Bell & Son. route is to remain independent, already has some retailing activities overseas. Earlier this year it acquired Richter Bros, an Tyrie, director in charge of importer into the U.S. of Bell's Gleneagles division.

strongly denied by the auditors, Coopers & Lybrand. Mr Suleman claimed that key information about legal action over alleged underpayments to staff had been omitted from the prospectus. Weekend press reports had speculated that the Stock Exchange's quotations panel might hold up the flotation in the light of these allegations, but trading went ahead as planned.

planned.
Three-quarters of the shares being placed will raise £1.3m for Aberdeen Steak Honses after expenses. The rest are being sold by Mr Salih, who will own 75 per cent of the company after detailed.

be watched.

A price of £7m was paid yesterday, another £1.2m is payable later this year and the final £2.4m is payable in August 1987. The six companies showed total trading profits before interest and tax of £2.4m on sales of £21m in 1984. Tomkin Ecu 78,000,006 Notes of 1984/1994
For the three months
August 9, 1985 to Movembe
1985 the Notes will carr
interest rate of 9344 per al
On Movembe 12, 1985 interest
2245.75 will be due pe
10,000 Note and Eco 245.75

The Board of Management of Akzo N.V. announces that on August 6, 1985 the results for the 1st. helf year of 1985 were published. Copies of this report may be obtained

Barclays Bank PLC Securities Services Department 54, Lombard Street London EC3P 3AH

Securities Services Department 110-114 Cannon Street London EC4N 6AA_ Akzo N.V.

Midland Bank PLC



UK COMPANY NEWS

Hollis recovery gathers pace with £0.3m rise

FIRST HALF 1985 profit of Hollis, the timber importing and woodworking manufacturing group controlled by Mr Robert Maxwell's Pergamon Press, continued its recovery and showed an upsurge of £302,000 to £806,000 at the pre-tax level.

The directors say that dividend payments wil be considered when the full year's results are known—last year pre-tax profit was may have seemed to those who £863,000. The preference is in arrears from October 1, 1981, and

IJq

ms

—last year pre-tax profit was 1863,000. The preference is in arrears from October 1, 1981, and the last distribution on the ordinary was in respect of 1980.

As year pretex profit was arrears from October 1, 1981, and the last distribution on the ordinary was in respect of 1980.

Order levels continue to be satisfactory across the whole of trading activities. Benefits accruing from the acquisition policy supplemented by extensive capital investment is progressively helping profitability.

The recent acquisition of Solicitors' Law Stationery Society should bring considerable benefit in the second half, the directors forecast.

Sales for the six months rose from £14.78m to £18.84m. Earnings came out to 1.4p after tax of £100,000, compared with 2p last time which were distorted by a tax credit of £750,000.

Over the weekend it was announced that Mr Maxwell had called off his £12m rescue bid for Sinclair Research, the troubled home computer group.

The proposals were that Hollis

Manchester Ship loses £1.89m

at midway SHARES IN Manchester Ship Canal fell 18p to 315p yesterday on the announcement of a slump into losses at the interim stage and directors' forecast that there

will be no recovery in port profitability in the second half. The result for the first half of 1985 was a loss of £1.89m, compared to a profit of £1.04m. Oil traffic has fallen by 29 per cent mainly due to recent changes in the pattern of Shell UK's opera-tions, and there has also been an increase in maintenance costs because of major repairs and im-provements at Eastham locks. The property business remains sound, say the directors, with good prospects.

Turnover fell to £10.4m (£12.23m), and the company is having to adapt to a significantly lower oil throughput by reducing the workforce still further as quickly as possible, say the directors. Voluntary severance costs rose from £443.000 to £1.52m, shown as an exceptional charge.

Losses per share are shown at 50.2p (21.9p earnings). The shares later firmed to close at 325p, down 5p on the day.

Wyko continues on growth path

Investment Trust ...

Saville Gordon (S)

countries.

United Packaging Aug. 20

turing facility from which it will be possible to increase sales to customers in EEC and Comecon

BHP Machine Tool and BHP

Developments were purchased and have been integrated with

HAVING MET its profit targets for the year ended April 30, 1985, the West Midlands manu-facturer and distributor of bearings and power transmission com-ponents Wyko Group is looking forward to further progress in the current year.

The directors report that the The directors report that the order books and activity for the first quarter are at record levels, and their objective is a continued expansion of the group's product range and geographical coverage in the UK and over-

Acquisitions made during the past year have been absorved effectively within the divisional structure, they report.

Wyko came to the USM in April when some 25 per cent of (the largest part of the group) its shares were placed at 68p— of the shares Im were new and raised some £505,000 which was used to reduce bank debt and to Shares with the shares at the shares are the shares in the s Fund future investment.

Profits of at least £1.8m were forecast for the year 1984-85. The actual figure comes to £1.85m and compares with £1,06m previously.

As indicated in the

BOARD MEETINGS The following companies have nounsed at a so board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not svailable as to whether the dividends are interim or finals and the subdivisions aboven below are based mainly on last year's timerable.

TODAY

SSR International, investor Dewey Warren Ericsson (L.M.) (Telefonaktiebe McAlpine (Alfred McAlpine (Alfred)
Metal Bulletin

TODAY
Interims—BSR International, Investors
Capital Trust, Rotaffus,
Final—Matthew Clark, Gold Fields
Property, Group Investors, New Wits,
Vogalstruiabult Metal. FUTURE DATES

increase.
Subsidiaries in the U.S.,
Germany and South Africa all
contributed to a good result, and
the export department substantially improved its penetration of
African and South American
markets.

viously. As indicated in the prospectus, the first dividend will be the interim declared when the half year's figures to October 31, 1985, are announced in December. when the half year's figures to October 31, 1985, are announced in December.

Turnover in the latest year advanced by £4.2m to £23.96m company's own manufacturing and led to an operating profit division. Next month, the of £2.07m (£1.35m). After tax German company will move into \$7724,000 (£378,000) the net profit larger premises and these faciliwas £1.11m (£682,000), giving ties will provide a European earnings of 6.67p (£.11p) per showroom, stores and manufaccomment

came within days of its year-end so there were few repples of excitement when the figure turned out to be marginally above, and the shares shed Ip to 59p. The growth, fed by acquisitions, has nevertheless been strong. Wyko benefits from the internationalisation of the machinery market. A factory the machinery market. A factory owner in Walsall buys a Japanese lathe; a part wears out, so the factory owner phones Wyko; Wyko provides a replacement part, and quickly. A repeat of last year's profits surge looks out of reach in the current year. however. Further acquisitions

however. Further acquisitions have already been made and more are likely — probably for paper, with gearing at about 30 per cent — but they will take time to digest. The parts operation will benefit from computerisation, but this will not be complete till the autumn. The opening of the West German showroom, though signalling an important expansion in the key European market, does not open until September. The next surge could therefore be in 1986. Meanwhile, however, the solid base for growth is reflected in an historic multiple of 10, almost exactly on the main market's wyko Equipments to provide a much enhanced range of process plant. The business and assets of Power Plant Gears were purchased in April and have been integrated with existing gear and gearbox manufacturing facilities to form Wyko Power Plant Gears. Gears.
Since the year end, the busisince the year end, the busi-ness of Western Bearings has been purchased. Its branches at Plymouth and Redruth will give UK distribution much improved coverage of South West England and increases the number of branches to 24.

the directors look forward con-fidently to an effective contribu-

Wyko's profit forecast of £1.8m made at the time of its flotation came within days of its year-end

exactly on the main market's Some £1.5m has been spent on sector average.

Exeter **Building** at £0.4m

PRE-TAX profits at Exeter Building and Construction Group rose by £300,000 to £419,000 in the six months to June 30, 1985, and the directors are to increase the interim divi-dend by 0.65p to 2.65p. The shares are traded on the USM. The halfway figure betters that of the last full year, when total dividends of 5.6p were paid. Earnings for the interim period are stated at 7.1p (2.3p) after tax at £144,000 against £32,000. Turnover increased from £21m to £26m.

An extraordinary meeting will be called for September 6 to change the name to EBC Group, to establish an executive share option scheme, and to increase the authorised capital to £3m.

Floyd Oil disposal

Floyd Oil Participations has reached agreement in principle with Caledonian Offshore to dispose of its 0.5 per cent working interest in the Claymore field. Consideration for the sale will be \$5.8m (£4.3m), together with an apportionment and reimbursement of certain Claymore Unit costs and taxes.

The consideration will be pay-The consideration will be payable in cash on completion, which is expected to be at or around January 1, 1986.

A MESSAGE FOR BELL'S SHAREHOLDERS.

Bell's has lost its way. ccept Guinness' offer now.



DRAUGHT AND BOTTLED GUINNESS. HARPKALIBER. DRUMMONDS. MARTIN THE NEWSAGENT. LAVELLS. 7-ELEVEN. CLARES. CHAMPNEYS AND STOBO CASTLE HEALTH RESORTS. NATURE'S BEST VITAMINS. GUINNESS PUBLISHING.

This advertisement is published by Morgan Grenfell & Co. Limited and Noble Grossart Limited on behalf of Guinness PLC. The Directors of Guinness PLC are the persons responsible for the information contained in this advertise

To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of Guinness PLC accept responsibility accordingly

Grosvenor Square meets profit and payout targets

IN RESPECT of the year ended March 31, 1985—a period of consolidation and expansion—the Groevener Square Properties Group has met its profit and dividend targets. And for the future the directors are confident

Mr Paul Marber, chairman of this USM group involved in property development, trading and investment, reports profits before tax of £1.06m for 1984-85, compared with £1.05m, and says the final dividend is the promised 3.5p to lift the total from 3p to

Since the year-end Grosvenor has acquired in exchange for unsecured stocks and shares the capital of Pinstone Holdings, which is engaged in property investment mainly in the Thames investment mainly in the Thames
Valley area; made a one-for-one
rights issue to raise some £4.5m; (£810,000), equal to 15.1p
and forecast a dividend of not less than 6 per share for the current year on the enlarged (£180,000).

Mr Marber says the Pinstone acquisition has added greater strength which will enable the group to exploit a growing range of development opportunities. The generation of earnings remains the principal objective. Considerable progress has been made on the current development programme and a number of new schemes have

Turnover in 1984-85 rose from £6.36m to £9.44m, and generated a gross profit of £1.66m compared with £1.78m. There was other operating income of £634,000 (£90,000) and interest charges were up to £401,000 (£125,000)

(£125,000).

Mainmet back in the black

AFTER REPORTING interim the group was unable to make losses, Mainmet Holdings came delivery of sufficient products back with second-half profits of before the year-end to generate enough profit upon which to pay

to end the year to May 31, 1985, £27,000 in the black compared with losses of £129,000. However, it has begun the current year with confirmed orders that have invoice values ment that he was optimistic that sufficient orders would be forthcoming in the second half. That would enable the board to consider the recommendation of a dividend based on the profits for the full financial year.

Although orders were received.

the full financial year. to £965,000. leaving gross prof Although orders were received, up from £410,000 to £716,000.

Alliance Tst. earnings up

For the year ending January 31, 1986 the Alliance Trust is forecasting an increase of 19 percent to near 21p in earnings per share, and is lifting the interim dividend by 1p to 8p net.

At July 31, the net asset value of the trust had fallen to 784.4p, from 874.4p at January 31. The main cause of the drop has been the 24 per cent appreciation of sterling against the dollar over the six months. Sterling has subsequently weakened and the directors are content to hold 60 per cent of assets in currencies other than sterling.

No major changes in the distribution of investments have

IMPORTANT NOTICE To Bearer Shareholders of VINTOIL S.A.

Sherwood Oil pic, a company incorporated in England, has made an offer to all shareholders of Vintoil S.A. to acquire all the issued share capital and parts de fondateur of Vintoil S.A. which it has not already agreed to acquire. Copies of the offer document (on the terms of which alone

the offers are made) may be obtained from: Mathercourt Securities Limited 45 Bloomsbury Square London WCIA 2RA

Tel: 01-831 9001

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Luxembourg SA 2 Boulevard Royal 2953 Luxembourg Tél 479 11

The offers close on 30th August 1985

This advertisement is published by Mathercourt Securities Limited (ticensed dealer in securities) on behalf of Sherwood Oil plc.

BROWN GOLDIE & CO. LIMITED

Development Capital for Private Companies

Management Buy-Outs Write or telephone: Cameron Brown or Peter Goldie, Joldie & Co. Limited, 16 St. Helen's Place, London ECJA 6BY.

Telephone: 01-638 2575. A member of the National Association of Security D

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TECHNOLOGY

EDITED BY ALAN CANE

Car makers turning to fuel injection, says report

BY JOHN GRIFFITHS EUROPE'S CAR makers are

likely to phase out carburettors, replacing them with fuel injection systems, and make wider use of multi-valve engines to increase the performance of mass produced cars, according to a report from consultants Planning Research

PRS says fuel injection as an alternative to the carburettor is hardly used on cars below 1.5 litres because of its cost. However, fuel injection systems in which fuel is injected at a single point to serve all cylinders, instead of the current, expensive multi-point systems, are likely to be adopted as a cheaper compromise which offers better efficiency and lower exhaust emissions than carburettors on small engines.

The report says the advantage of multi-valve engines is that they produce more power, use less fuel and have cleaner exhaust emissions. "Four-valve (per cylinder) designs have so far been used only on low production, high performance engines but are likely to become more widespread over the next five years. In Japan, multi-valve engines in the form of both three and four-valve designs are rapidly gaining mar-ket share and Europe is expected to follow."

As for turbocharged engines,

in which the fuel/air mixture is forced into the engine under pressure — despite their rapid growth between 1982 and 1984 PRS says turbochargers' use on petrol engines "has been viewed with varying degrees of

"Many installations have not been entirely satisfactory" because of lack of low-speed power and a lag in response

under acceleration. The future of turbocharging is brighter in terms of its application to car diesel engines, however. The report suggests it can usefully reduce the gap between a diesel and petrol engine's performance.

The Automotive Engine Component Market in Western Europe; 1600. PRS Business Publications, 24 Old Bond Street, London, W1.

Star Wars threat to civilian research

Europe's fears that the Strategic **Defence Initiative** will give the U.S. a big lead in technology may be misplaced, reports Peter Marsh

THE U.S. Star Wars programme will have few commercial spinoffs and may even divert scarce science and engineering resources away from civilian programmes, according to the Council on Economic Priorities, a New York research group, Their conclusion fuels the debate about the degree to which the \$26bn Strategic Defence Initiative will affect technological developments in the rest of the U.S. economy.

are discussing a rival collaborative research project called directed to particular goals reduces the application of the

Plans for Eureka arose, at techniques in other areas.

such as Star Wars or the Apollo Moon programme of the 1960s is contradictory. The SDI pro- programme will take an increas- of the programme could crowd gramme can be best assumed to ing share of the cash allocated out other federal R and D

THE STUDY by the Council on Economic Priorities attempts to compare the SDI

programme with the Apollo iunar project organised by the National Aeronautics and

Space Administration.
This project—which in its peak year of 1966 consumed 13 per cent of U.S. R and D

spending—is widely assumed to have given American industry a lead in technolo-gles such as microchips and

ther materials which could

be used commercially.

MAJOR TECHNICAL BREAKTHROUGH

COMMERCIAL AIRCRAFT.



technological developments in the rest of the U.S. economy.

Largely in response to the SDI programme, which aims to provide a defence against Soviet missiles, West European nations that they are developed for programmes government programmes government programmes have a neutral effect on the by the U.S. Defense Department efforts with less political clout."

92,000 scientists and engineers, or one in 28 of the

benefits from the Apollo programme are contradictory,

gramme are contradictory, says the report. One study, by Chase Reonometries in 1965, found that Nasa's spending on R and D was associated with higher productivity in the rest of the economy.

It predicted that for every 5im spent by Nasa in one year, the U.S. could expect to benefit from increased entout

benefit from increased output

Studies of the commercial

national total.

SOLID STATE MOTOR CONTROLS

FOR RETROFITTING MILITARY AND

ESTIMATED SAVINGS MAY EXCEED

account for 3.2 per cent of the annual U.S. outlay on research and development of \$116bn.

EMPLOYMENT GROWTH 1984-87

At this point Star Wars would use 5 per cent of all the scientific and technical staff

emerge on the labour market over the same period, some 2 per cent for both groups would work on Star Wars.

for research, development, testing and evaluation — up from
3.7 per cent (out of a total
budget of \$27bn) to 13.1 per
cent.

In 1986, the SDI effort could

1840 by 1987.

In 1986, the SDI effort could

1850 programme required in trated in areas requiring large
engineers, scientists and techmiclans. The figure could rise to
astronautical engineers. SDI
might, therefore, exacerbate the might, therefore, exacerbate the likely labour market problems

Working for . . .

programme is to increase from \$1.3bn this year to \$3.7bn in the fiscal year beginning in October and \$6.1bn the year after.
The cash that Congress allo-

rates to the project may, in fact, be lower. The 1986 budget for the programme has yet to be fixed but indications are it will be \$2,5bn to \$3bn.

The Strategic Detence Initia-

tive: Costs, Contracts and Conse-quences; Council on Economic Priorities, 30 Irving Place, New York, NY 10003, U.S.

this was likely to result in 29

logical growth . . . Unless the supporters of a specific pro-

Paperless recorder will monitor factory processes

A CHART recorder for monitor-ing manufacturing processes which does away with chart paper has been developed by Penny and Giles Data Recorders of Dorset in the UK.

The company's new Teletrend device also dispenses with pens and different coloured inks for recording plant performance.
Instead, the various items being measured are shown on a full colour visual display acreen while a permanent historical record is made on tape using a miniature cartridge.
According to the company, its research showed that in most cases the record is examined only for the first few hours after the time at which a particular record was made — only rarely

When examination at a later date does take place, Penny and Giles says a re-run of the Giles says a re-run of the original recording is all that is usually required.

So the company argues, all that is needed is a trend recording facility as well as a

are the records examined at a

later date.

long-term storage and reproduc-tion facility.

The Teletrend recorder presents on the cathode ray tube screen a real time bar graph display and simulated chart traces for each of the items being measured.

According to the company, all traces are coincident in time, eliminating time displacement that occurs on conventional pen recorders. Typically, it claims, this delay can be 40 minutes. The unit is fitted with a handheld keypad so that the operating characteristics of the recorder can be changed.

corder can be changed.

An operator can only have access to the recorder controls by using the keypad; and use of the keypad can be controlled by a plant supervisor. It is possible to set the keypad so that certain features — calibration, for example, cannot be altered.

Alarm switches are available as an optional facility. Each alarm set point is displayed by a triangular pointer adjacent to a triangular pointer adjacent to the bar graph display, and they flash once a second if the danger point is reached.

The recorder has sufficient

memory to record for one hour while a tape is being rerun,
ALAN CANE

Add another to your team

Contract R&D - new lines., product improvements...

Facsimile unit for car telephones

A FACSIMILE unit capable of operating over the cellular network for car telephones is now available.

Speed and cell changes have little effect on the antput of the unit called Shuttle

put of the unit called Shuttle Boy, which is smaller than the average briefcase and weighs 7 kilograms. It will transmit an A4 size document in three minutes, and 15 to 20 documents with a single re-chargeable battery although the unit could also be powered of the car's battery. off the car's battery.
One of the first users will be an office company. It plans to send to its office sales orders received by salesmen.

Drumming up extra capacity

A POLYETHYLENE drum rigid enough to provide adequate stacking strength yet dexible enough to previde proflexible enough to previde protection for the contents without splitting is manufactured
by Huntingdon-based plastics
blow moulders, Harcostar. It
was developed for handling
liquids for the chemical and
food industries.

It can be handled with the
equipment used for steel
drums and gives an 11 percent improvement in carrying
capacity in a 20 ft, ISO freight
container.

AutoCAD user group formed

USERS of the AutoCAD micro-CAD (computer sided design) system have set up an organisation to exchange experience and information.

Although architects have taken the initiative, the user group is not limited to the construction industry. There construction industry. There are ever 1,600 AutoCAD users

The report bases its figures on projections for SDI spending from the Pentagon, according to which the budget for the least in part, because of Euroleast in part, because of Euro employed by the Pentagon and one in 200 of the national total. One in 25 of the 177,000 extra nologies such as computers, optics and new materials that could be applied commercially. Now, according to a 215-page report from the New York organisation, such worries may not be justified. The report says that evidence of commercial spin-offs from massive technological projects of massive technological projects such as Star Wars or the Apollo such as Star Wars or the Apollo of the posterior in the New York of commercial spin-offs from massive technological projects of the programmes with less popular appeal. Star Wars or the Apollo of instance, computer systems. And between 1985 and 1990, the programme is likely to compute with other projects for money from in American R and D. The report comments: "While is likely to required for the star Wars programme. The profession of the report comments: "While is likely to required for the star wars programme with compete with other projects for money from a limited research and development budget. It could lead to reduced support for commercial spin-offs from massive technological projects of the programme with compete with other projects for money from a limited research and development budget. It could lead to reduced support for commercial spin-offs from massive technological projects and star wars or the Projects of the programme with the programme is likely to consume the programme will compete with other projects for money from a limited research and development budget. It could lead to strategic defence (including indirectly, a third of the total other defence projects outside star wars) will amount to only about 4 to 5 per cent of total and 181,00 technicians due to final projects and 1990, and the programme is likely to consumer. Star Wars programme. The proport comments: "While is likely to consumer the provent of the proport for comments: "While is likely to consumer. Star Wars programme. The proport for comments: "While is likely to required for the star wars programme. The proport for comments: "While is likely to consumer. Star Wars programme. The p engineers likely to become employed between 1984 and

less popular appeal about 4 to 5 per cent of total
It is expected that between (national) R and D in 1986,
1984 and 1989 the Star Wars rapid growth in the early years

Contradictory evidence from the Apollo programme Researchers have also traced advances in specific industries, communications satellites for example, to re-

spending by Nasa.

Other studies, however, paint a less optimistic picture of the way that federal R and D spending boosts the overall Most federal R and D, according to the Council on economic Priorities, is for developing products for Government use such as air-

craft and communications

equipment. This is rather than for the development of pronor the nevelepment of pro-duction processes for commer-cial goods, innovations in which could be expected to diffuse through the whole of the civilian economy.

The report cites recent work at Columbia University which found that increases in

which found that increases in federal R and D were more likely to reduce privatelyfunded work than stimulate it. In the study, Professor Frank Lichtenberg calculated that if the costs funded as that if the state funded an

fewer company sponsored scientists within 12 months, essentially no change the following year, and an in-crease of seven the year

"It would . . . be hasty to assume a specific government project will either help or hinder private sector technoject can demonstrate how it will help, we should assume that the effect is best neutral," the report says.

Accounts

at December 31, 1984

| ······································ | lt. Lire million | Variat. on 1983 |
|--|------------------|-----------------|
| Saving deposits and current accounts | 15,815,850 | + 14.94% |
| Bonds | 2,349,096 | + 4.91% |
| Reserve funds | 2,234,236 | + 24.10% |
| Total available funds | 34,745,288 | + 20.49% |
| Loans and advances | 9,384,064 | + 23.05% |
| Security holdings | 11,613,259 | + 14.74% |
| Net profit | 61,187 | +145.19% |

chitall of a hand-painted wooden cover of a Tax Book of the City of Siena for the year 1468.

\$200 MILLION! Solitron Devices, Inc., has announced the introduction of a revolutionary concept in controls for brushless motors which now make it possible to replace the traditional hydraulic mechanisms on aircrafts with advanced solid state electronics.

The company estimates that the market for retrofitting existing aircrafts could exceed \$200 million. The cost savings to the aircraft operators would be very substantial, because of considerable reduction in aircraft maintenance and fuel requirements. Solitron developed the new concept for control of brushless motors specifically for replacing the hydraulic control systems presently used on aircrafts for steering, flaps, landing gear, etc. Solitron's microcircuits feature ultra-high reliability, extremely light weight and compact size, meeting all the basic design criteria for such critical applications on aircrafts. They reduce the consumption of energy by increasing the efficiency rate of the controls for brushless motors as compared with conventional systems. Solitron reportedly achieved an efficiency

increase of 20-30% and greatly improved the reliability.

Solitron's design far exceeded the expectations of the aircraft system designers commissioned to retrofit military and civilian aircraft. Metal piping, hydraulic drives and oil reservoirs will be replaced with the new electronic systems.

NEWLY INVENTED

Solitron's energy saving motor speed control will have numerous industrial applications where brushless motors are employed and where high reliability and high efficiency are design criteria. Typical examples include drives in automation, robotics and portable equipment where limited source of power, weight, size and high reliability are critical factors.

Solitron's control circuit is adaptable to a variety of power levels and control logics for all brushless motors and it includes special fail-safe features which are expected to more than double the life of the motors. The unit introduced now is the first of a new series of power conversion products by Solitron.

For additional information, contact John J. Stayduhar, Sanior Vice President, Finance:



CORPORATE HEADQUARTERS 1177 Blue Heron Bouleverd/Riviera Beach, Florida 33404, U.S.A./Tel: (305) 848-4311/TWX: (510) 952-7610/TLX: 51-3435 An American Stock Exchange Company, Symbol SOD

The "Monte dei Paschi Banking Group", which includes

MONTE DEI PASCHI DI SIENA BANCA TOSCANA CREDITO COMMERCIALE CREDITO LOMBARDO ITALIAN INTERNATIONAL BANK PIC BANCA DI MESSINA

showed, at 12/31/1984. total deposits in excess of billion Lire 52,000 equal to £ 23,114 million. Capital resources amounted to billion Lire 3,665 equal to £ 1,629 million.

156.9 176.6

+19 133

Financial Times Tuesday August 13 1985

FT COMMERCIAL LAW REPORTS

Insurer cannot claim from negligent tenant

MARK ROWLANDS LTD V
BERNI INNS LTD AND OTHERS

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to the first second $\sigma_{\rm eff} = (e - e - e) \cdot e \, \mathcal{M}_{\rm eff}$

1. 1

Court of Appeal (Lord Justice Kerr, Lord Justice Croom-Johnson and Lord Justice Glidewell): July 31 1985

A TENANT who pays an insurance rent," in that he contributes to the cost of fire insurance taken out by the landlord, is intended to benefit from the cover and therefore cannot be sued by the landlord, or by the insurers in the landlord's name, for negligently causing damage by fire.

The Court of Appeal so held when dismissing an appeal by landlords, Mark Rowlands Ltd. landlords, Mark Rowlands Ltd., from a decision by Lord Justice Stephen Brown sitting as a Queen's Bench judge, that their insurers were not entitled by right of subrogation to sue tenants, Berni Inns Ltd and others, for negligence.

LORD JUSTICE KERR said that on Jamuary 27 1980 a serious fire broke out and effectively destroyed a building in Leeds.

destroyed a building in Leeds. It was not occupled by the landlord. The basement and part of the ground floor were occupied by the tenants and used as a restaurant. The remainder was used for storage.

The cause of the fire was electrical. The present action proceeded on the basis that it was caused by the tenants' negligance. Damages of £1,429,166 were agreed as the cost of reinstating the whole building with maney received by the landlords from their insurers.

The issue was whether the

The issue was whether the landlords could maintain an action for negligence against the tenants and whether the insurers could recover damages

Under the lease the tenants covenanted to contribute towards the cost of insurance and the landlords covenanted to keep the premises insured against fire. If they were destroyed, the rent ceased to be payable for three years.

The subject-matter of the parties.
insurance was the entire building an agreed sum for loss of Mr Turver, for the landlords rent, and architects' and sur-

veyors' fees. The persons that the insurance should not be insured under the policy were treated as having been effected that in the present case the tenthe landords. No reference was for the benefit of the tenant.

made to the tenants.

Lord Justice Stephen Brown concluded that the landlords had insured the entire premises for the joint benefit of themselves and the tenant; and that there was accordingly no scope for subrogation so that the landlords' claim in negligence must fail.

The tenants' interest in the insurance was plain under the terms of the lease. So was the fact that it must have been the parties' intention that the insur-ance should enure for the benefit of the tenants as well as the There was nothing in law which precluded that conclu-

Provided a person with a limited interest had an insurable interest in the subject matter of insurance, he was not precluded from asserting that insurance effected by another was intended to enure to his benefit to the extent of his interest.

sion.

The tenants were required to contribute to the cost of the insurance; in the event of fire they were to be relieved from their repairing and other obligations provided the insurance was not vitiated by their "wilful or reckless act or omission." Also

reckless act or omission." Also they were relieved of their obli-gation to pay rent. For the purpose of insurance against fire it was irrelevant whether the cause was accidental or due to negligence.

In Mumford Hotels v Wheler in Munjord Hotels v wheter [1964] I Ch 117, the insurance was in the name of the landiord alone. Upon destruction of the property by fire and the landlord's refusal to use the insurance moneys for reinstatement, the tenant claimed that she was obliged to do so, and succeeded. Mr Justice Harman said that

the landlord's obligation to in-sure was an obligation intended to enure for the benefit of both

Inade to the tenants.

Lord Justice Stephen Brown concluded that the landlords had insured the entire premises for the joint benefit of themselves and the tenant; and that there was accordingly no scope for subrogation so that the landlords' claim in negligence must fail.

On the terms of the lease and the relevant authorities he was

On the terms of the lease and the relevant authorities he was correct in reaching that conclusion.

The tenants' interest in the insurance was plain under the insurance was plain under the sum on the happening of an insurance of the lease. So was the

Mr Turner also submitted that the tenants had no insurable interest in the building as such, including the parts that they occupied. That view was untenable. If

one were dealing with the tenant of a flat in the upper storeys with a similar lease it would be virtually unarguable. It was refuted by the words of Mr Justice Lawrence in Lucena v Crunford (1806) 2 Bos & Pur 265, 302: "A man is interested in a thing to whom advantage may arise or prejudice happen from the circumstances which may attend it . . ."

The tenants were right in their submission that the insurance was for their benefit as well as for the landlords'.

However, the real issue was whether the terms of the lease and the full indemnification of the landlords by their receipt of the insurance moneys precluded them from recovering damages in negligence from the tenants.

If so, the insurers would be equally precluded from suing in the landlords' name by virtue of their rights of subrogation. The only English authority right of subrogation. The appeal cited in that connection was Petrofina (UK) v Magnaload [1984] 1 OB 127 where Mr Justice Lloyd followed the Supreme Court of Canada in Commonwealth Construction v Imperial Oil [1977] 69 DLR (3d) 558. In those cases the insurers were until the construction of the court of Canada in Commonwealth Construction v Imperial (Laurence Graham).

To the tenant: Michael Hartham Common Country (Canad Roose Ter Haar those cases the insurers were un-able to assert any right of subrogation in that the defendants were coinsured with the plain-

tiffs under the same policy.

that in the present case the ten-ants were not co-insured with the landlords. Also the parties were contractually bound by the lease, so that there was the further issue of whether its terms precluded the landlords

from recovering damages.
In Agnew Surpass Shoe Stores (1975) 55 DLR (3d) 676, Ross Southward Tire (1975) 57 DLR (3d) 24D and T. Euton (1977) 92 DLR (3d) 425, in the Supreme Court of Canada, the tenants were also not co-insured. No-one appeared to have questioned their right to contend that the premises were insured for their benefit as well as the landlords'.

ant in any relevant aspect than the present lease. The majority of the Supreme Court in each of the Supreme Court in each case decided the issue in favour of the tenant. All the judgments were in line with the ratio in Mumford v Wheler.

The same view prevailed in the United States. It should be followed and adopted in the present case.

An essential feature of insur-ance against fire was that it

rent paid by the tenants.

The intention of the parties, sensibly construed, must therefore have been that in the event of damage by fire, whether due to accident or negligence, the landlords' loss was to be recouped from the insurance moneys and they were to have no further desire assigns the ten-

vey QC and Roger Ter Haar (Hewitt Woollocott and Chown). By Rachel Davies

The terms of the leases in those cases differed, but none was more favourable to the ten-

ance against are was man it covered fires caused by accident as well as by negligence. That was what the landlords had agreed to provide in consideration, inter alia of the insurance rent paid by the tenants.

no further claim against the ten-ants for damages in negligence. Accordingly, the landlords had no right to recover damages and their insurers had no relevant right of subrogation. The appeal should be dismissed.

Lord Justice Croom-Johnson and Lord Justice Glidewell

U.S. \$20,000,000

Bearer Depositary Receipts representing undivided interests in a Floating Rate Deposit finally due 1986

C.A. Cavendes

Sociedad Financiera

(Incorporated with limited liability in the Republic of Venezuela) nced by consecutive three month Certificates of Deposit

Notice is hereby given pursuant to the Terms and Conditions of the Bearer Depositary Receipts (the "BDRs") that for the three months from 13th August, 1985 to 13th November, 1985 the BDRs will carry an interest rate of 811/6% per annum. On 13th November, 1985 interest of U.S.\$22.20 will be

due per U.S.\$1,000 BDR and U.S.\$222.01 due per U.S.\$10,000 BDR for Coupon No.25: European Banking Company Limited (Agent Bank)

13th August, 1985

F.T. CROSSWORD PUZZLE No. 5,794 ACROSS 6 7 down's performance per-

1 Tongue twister (11)

- 7 Subside like a wise from the East (3) 9 Hurry back to the fishing grounds (5)
- 10 Sound quality (9) 11 Arab stole new instrument 12 Things to do in bad times
- 13 Restrainers nip back in building site (3-4)
- 15 Down draughts (4) 18 Sports area no longer quiet
 —it's irritating (4) 20 Switches on this panel (7)
- 23 Back-track around to reveal an educator (5)
- 24 Uniform headgear (6, 3) 26 Not a singularly attractive doctrine (9) 27 Dirty stern, up to a point
- 28 This head is bright (3) 29 Supports braces (11)
 DOWN
- 1 Times institute workers (8)
 2 Where these art forms are exhibited? (3)

 Exhibition of Western skills

 or back round the lines
- 4 Looks again for soldiers trapped by stupid dares (7)
 5 Set about sailors round the samplers (7)

- haps (9)
- 7.... made him resign (6) 8 Paint often applied in 2 down (6)
- 14 where one or two of these are usually taken (9) 16 Wingless craft in praise of exercise (8)
- 17 Those who approve of strikers? (8) 19 Comparatively pleased (7)
- 20 He's usually sacked (7) 21 Commodity found beside a barn in Devon (6)
- 22 Gutted for the racketeer (6) 25 A number would show mass content if a point ahead (5) Solution to Puzzle No. 5,793



WE THE LIMBLES3

FOR HELP

Give to those who gave - piease BRITISH LIMBLESS EX-SERVICE MEN'S ASSOCIATION





U.S. \$150,000,000

First Bank System, Inc.

Floating Rate Subordinated Capital Notes Due 1996

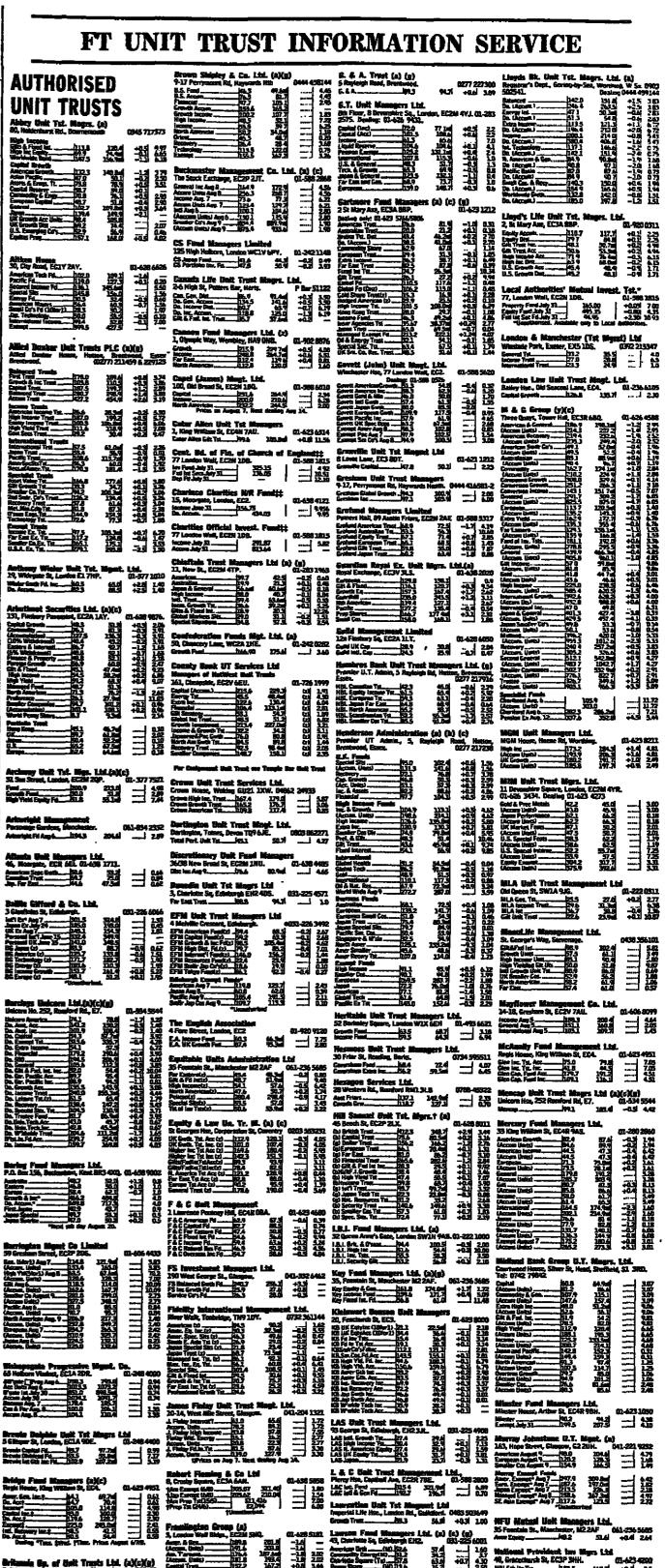
In accordance with the provisions of the Notes, notice is hereby given that for the three months Interest Period from 13th August, 1985 to 13th November, 1985 the Notes will carry an Interest Rate of 854% per annum. The interest amount payable on the relevant Interest Payment Date which will be 13th November, 1985 is U.S. \$1,062.15 for each Note of U.S. \$50,000.

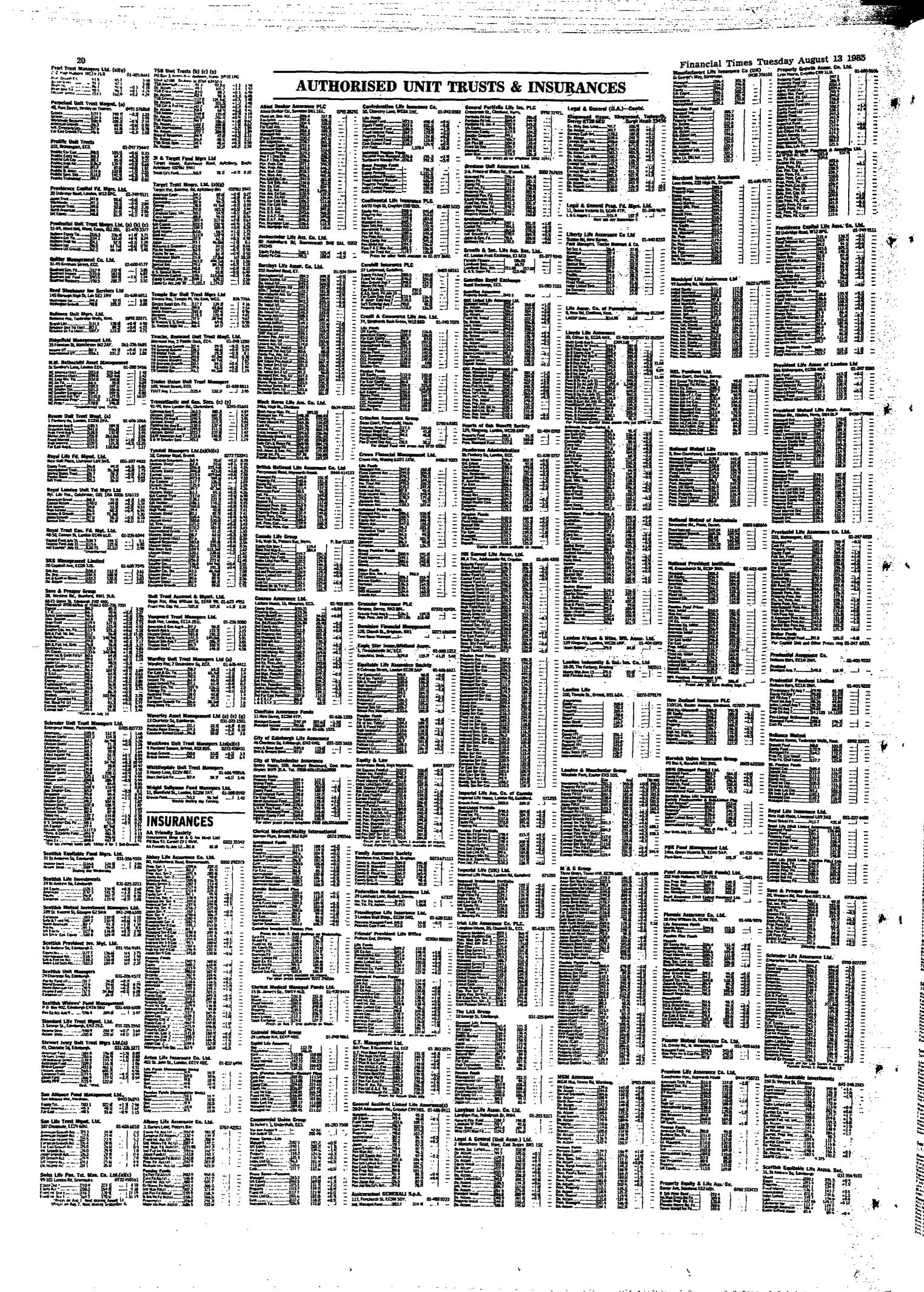
Credit Suisse First Boston Limited Agent Bank

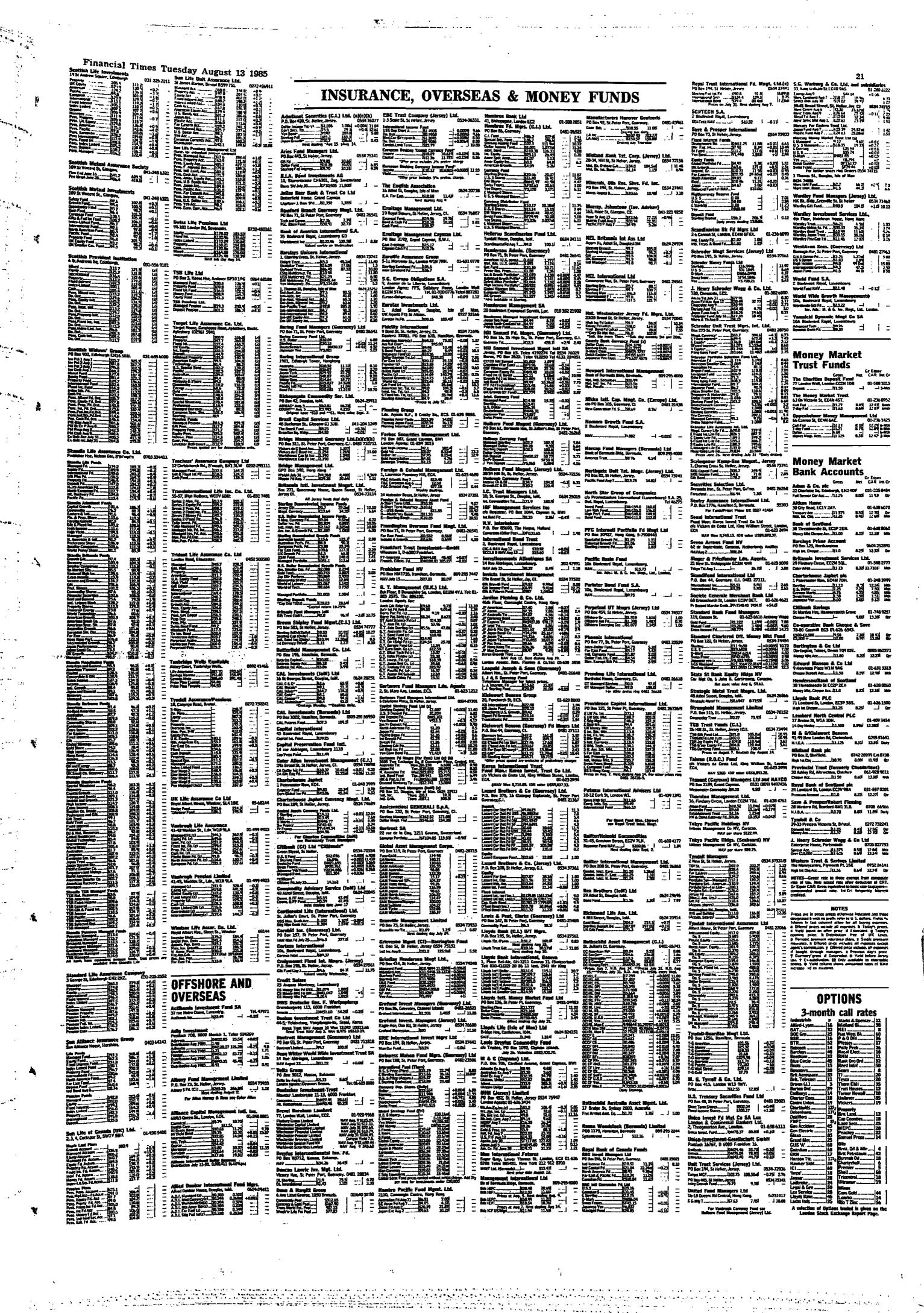


32.d

معد لــ







Indian tea industry seeks end to foreign sales curb

BY P. C. MAHANTI IN CALCUTTA AND ANDREW GOWERS IN

terday welcomed the Govern-demand ment's decision to scrap its mini-can teas. mum export price for tea as a much-needed boost to flagging

official controls.

Today in Calcutta, they will meet Mr B, K, Pribathi, chair-man of the Indian Tea Board. to discuss the continuing cell-ing on tea exports—fixed for ing on tea exports—fixed for this year at 220m kg—and the official requirement that Indian growers sell 75 per cent of their produce through local auctions, which the industry argues has contributed to depressed prices.

Meanwhile in London the world market," India is reported, however, to have made some sales of orthodox teas under countertrade arrangements with the Soviet Union.

Meanwhile in London the world market," India is reported, however, to have made some sales of orthodox teas under countertrade arrangements with the Soviet Union.

Meanwhile in London the variety, this year, and seems until the provided to depressed prices. The contribution of India's approaching that ceiling, because of the 1984 level. By the end of June, the crop totalled 238.4m kg, an increase of nearly 17m kg over last year.

teas was unchanged from last week at 135p per kg while low medium varieties rose 3p to 106p.

Brokers reported improved demand particularly for Afri-

They said the initial impact of the Indian Government deci-sion would be felt within India However, industry representatives are now planning to step up their campaign against other the world market level—particuarly in the north of the country.

"The north Indian price will have to come back a lot from its current levels before there's a reaction on the world market."

inflated minimum report of the inflated minimum export or the which only last week was reduced from Rs26 (159p) per kg to Rs22 for north Indian teas and Rs18 for south Indian

Rubber pact calls on members for \$80m

THE KUALA LUMPUR-based International Natural Rubber Organisation (Inro), alarmed at the slide in rubber prices in recent weeks despite strong buying support by the buffer stock manager, has called for an extra 195m ringgit (\$80m) from its 33 members, to strengthen its finances.

The latest call-up for funds is the sixth and by far the biggest, since Inro came into existence in October 1981, and comes just before the Inro special council session today to consider a price cut for the

consider a price cur for the commodity.

Into members have so far contributed 700m ringgit, most of which has gone to the buffer stock manager who has accumulated nearly 340,000 tonnes in his stockpile.

Today's meeting will consider whether to apply the automatic

Today's meeting will consider whether to apply the automatic three per cent cut in the reference price of 208 Malaysian/Singapore cents a kilo now that the stockpile has exceeded the 300,000 tonne mark. The reference price is used to calculate the floor and ceiling prices, which are currently pegged at 166 and 249 Malaysian/Singapore cents.

pore cents.

PALM OIL traders, refiners and planters have welcomed major changes to the rules regulating the Kuala Lumpur Commodity Exchange (KLCE), reports Reuter.

They said they now look forward to a revival of trade in palm oil futures on the exchange by end-September as pledged by the KLCE after changes were approved at an extraordinary general meeting on Saturday.

 A SHARP decline in the jute price in Bangladesh has forced farmers to sunggle their goods to India for higher rates and is threatening the country's agri-

threatening the country's agri-culture-based economy.

Market reports said the price of jute, which accounts for nearly 60 per cent of Bangla-desh's annual foreign exchange income, had dropped by almost 50 per cent in the world market in a year and plum-mated by plunest 70 per cent in

Farmer's viewpoint: by John Cherrington

Counting my mixed blessings

if only they changed their foolish ways they would be able

The title of one such book is still in my mind. It was "Mixed Farming and Muddled putting all his eggs in one basket, and take to specialisation. By this means he could concentrate his efforts on one particular line of farming which would enable him to become a superlative operator on say eggs, pigs, sheep or anything else which would give him an advantage in a most competitive

I was never convinced by this argument, and all my life I have muddled along with two or three main lines of activity at the same time. My eggs most definitely are not in one basket, and this is a fact for which the dennitely are not in one basket, andt his is a fact for which I am very grateful during this dreadful spell of weather. My main activity over the last few years has been cereal growing, which, thanks to the beneficient workings of the EEC's common agricultural policy, has been pretty profitable. Many of my neighbours have dispensed with livestock altogether, but I have course.

the 1930s farmers were bom-although I no longer have a barded by a series of polemics dairy herd, as I did for my first arguing that the depression was 30 years in farming, I still have partly their own fault and that sizeable pig and sheep units. if only they changed their The cows were given up, not because they were unprofitable, but because I gave up the farm on which they were installed

and I concentrated on sheep and cereals. After a few months Thinking and its argument, as of non-dairying I found I was I remember it, was that the having to ask my bank manager British farmer should foresake for more and more money to the old rule of thumb about not tide over the period between of non-dairying I found I was for more and more money to tide over the period between one harvest and the next. So I reintroduced a pig herd into my system from which I sell a load of pigs every week. This pig cheque takes the place of a milk cheque and although pig profitability is nothing like as secure as that with cows the cash flow gives me a comforting sense of solvency which helps

to bridge the gap between harvests. Sheep rearing suffers from the same financial disadvantages as cereals, in that the income is concentrated into two or three months in the summer or autumn. You have to wait a long time between the mating of the flock and significant sales. The behaviour of the sheep flock this year due to the cold spring and early summer made a nonsense of my cash flow planning, and I was forced to borrow from the bank until I could sell enough lambs and wool to get back on interest rates were reasonable. But I am too old to learn to appreciate the advantages of interest rates as they are today. I can only conclude, naively perhaps, that those who order these affairs are completely ignorant of, or indifferent to, the real facts of economic life.

Sheep are not particularly profitable but they have the advantage of being able to live on some unploughable land which I farm. I also believe that to introduce a grass break into my rotation which the sheep graze, does make for better subsequent crops. But there is no real scientific evidence of this. Many farmers manage perfectly well without them. I also like them and if you like something you will probably twist the evidence to justify it.

But at the moment I am appreciating both my livestock enterprises. The atrocious weather of the last few weeks has devastated the promised good harvest. My barley and pea crops are flattened to the ground and the wheat is turning a nasty dark colour. Where it has been pushed down by the weather I am already finding some of the ears growing vigorous aboots and it will not be long before the standing wheat will be doing the same. My small acreage of

I know there are farmers who borrow happily between harvests, as I did myself when right down.

None of the crops has been irretrievably damaged but quality is suffering and if there should be widespread sprouting none of the grain will be acceptable for malting, milling, to intervention. export or sale to intervention.
It will become feed grain for which there is no support but the livestock farmer, who has been pretty well exploited by high cereal prices latterly and will not be feeling in a very charitable mood. I would not like to put a price on feed grain of that quality.

But my pigs will not know if they are eating first or second quality grain, and the sheep will be quite happy to eat large quantities of my weather stained oats to eke out the dreadful hay I was able to salvage.

The weather has not done The weather has not done irretrievable harm to everyone. There is a lot of grass, particularly in the dairying districts of the West of England, and dairy farmers are desperate for store lambs to eat off their pasture in the early winter. They flocked to the first big sheep fair of the season at Wilton near Salisbury last week and hid lamb prices. last week and bid lamb prices to record levels, a fact which

Herring rules anger Danish fishermen

By Hilary Barnes in Copenhagen DANISH FISHERMEN'S leaders are to meet Mr Henning Grove, the Fisheries Minister, today in an attempt to put an end to a situation which led last week to violent clashes between fisher-men and fisheries inspectors.

The fishermen are infuriated by the present regulation limit-ing to 18 per cent the quantity of herring permitted as a by-catch when they trawl for brisling, which is used for conversion to fishmeal.

According to the fishermen, the North Sea is so full of herring that it is impossible to comply with the by-catch regula-

The problems have arisen after several years with a ban on all herring fishing in the on all herring fishing in the from Friday.

North Sea, which has led to a rapid increase in herring stocks. Traders said they do not expect the rise in stocks to con-

Copper market falls on further stocks rise

ANOTHER big rise in official warehouse stocks of copper dented confidence further on the London Metal Exchange yesterday, and fuelled a currency-inspired decline in copper

The LME reported that stocks rose last week by 23,825 tonnes to 179,575 tonnes, their highest level in a year. The increase was much higher than the 12,000 tonne rise the market had expected. Once again, the bulk of the increase was accounted for by an influx of high-grade cathodes into Rotterdam. Prices, which began the day

with three-months higher-grade metal around £1,054 a tonne, dropped to £1,046 at the unoffi-cial close, a decline of £18.50

tinue for much longer at this

News of a threatened strike on Thursday over pay by 17,000 workers at Centromin, Peru's biggest state-owned mining company, could provide the market with some relief by stemming the price decline, they said.

In the meantime, it has had

to keep excess tea within the

country, which has been one fac-

tor in the depressed local auction prices in the south, and

Sri Lanka and Kenya have made considerable further inroads

"They've been building up brouble for themselves by retaining a lot of unsold tea," said a broker. "It must be absolute murder to the local

industry's cash flow."

India is reported however, to

of nearly 17m kg over last year.
The Sri Lankan crop is also reported to be on a rising trend.
Up to the end of April, it totalled 79.1m kg, up 2.4m

into India's market.

LONDON METAL EXCHANGE WAREHOUSE STOCKS (Changes during week ending August ?) (tonnes)

| Akıminisim Copper | + 4,975 to +23,825 to | |
|----------------------|--------------------------|--------|
| Lead | - 125 to | 35.05 |
| Nickel | - 198 to | |
| Tim | + 1,580 to | |
| Zinc | + 2,950 to | 26,82 |
| | (ounces) | - |
| Cilva- | 1014 000 - F1 | ern an |

Restrictions ease on Brazil orange juice exports

BY ANNE CHARTERS IN SAO PAULO

were expected to be issued yesterday following the industry's agreement late last week to pay Cruzeiros 20,000 (£2.24) per box as stipulated by Cacex, Brazil's trade agency. Cacex had been holding up requests for export licences in an effort to put pressure on orange juice manufacturers to comply with the new price which is an increase of nearly Cr 11,000 above what manufacturers had expected to pay.

per box includes. The industry wants to discount taxes and freight from the price leaving a Cr 13,000 balance, with Cr 9,000 to be paid to growers now and Cr 4,000 next year. now and Cr 4,000 next year.

The growers, nearly 18,000 in the state of Sao Paolo, disagree with the discount and are con-tinuing to negotiate individually with manufacturers, although the Agriculture Federation of Sao Paolo State (FAESP) has urged growers not to sign indi-The row is by no means settled, however, as the focus dent of FAESP, the association of the dispute has now shifted to citrus growers and manufacturers in the industry to facturers over what the price strong growers not to sign individual contracts. According to Seen Fabio Meirelles, president of FAESP, the association is seeking a meeting with manufacturers in the industry to facturers over what the price

advantageous to growers.

Meanwhile hundreds of trucks loaded with oranges are making regular deliveries to fuice com panies for processing even though there has been no agree-ment on the price per box.

Juice manufacturers agreed late last week to accept the Cacex-set price on exports of only 605,000 tonnes of orange juice on the condition that the export price remain at a previously agreed U.S.\$1,400 per tonne, and that tri-monthly export quotas be rigourously fol-

The industry previously set export quotas of 140,000, tonnes

through September, 135,000 tonnes for the second quarter and 165,000 tonnes each for the third and fourth quarter of the July-June crop year.

By keeping exports at this level, below the 905,000 tonnes exported in 1984, Brazil expects to strengthen the price in the international market while promoting domestic juice consumption.

From this year's expected harvest, an additional 75,000 tonnes would form manufacturers' stocks, and the remainder, a likely 60,000 tonnes would be sold domestically.

LONDON MARKETS

fell quite sharply in London yesterday but in the absence of significant fundamental news traders attributed the fall mainly to sterling's strength against the dollar. There were also suggestions that the market's recent rally, following the preceding heavy decline, may have been some what overdone. The November position ended the day 237 down at £1,690.50 a tonne after slipping to £1.683 a

Cocoa prices also fell, but less sharply. The December position finished £11.50 down at £1,727.50 a tonne as the currency factor overshadowed continuing concern about wet, cool weather in the Brazilian

ALUMINIUM Unofficial + or

| | L bel | tonne | HIS | пист |
|------------------|-------------------|-----------------|--------------|---------------|
| Cash 3 months | 736-7 758.5-9 | 13, 13, | 25 75 768 | ./75 8 |
| (7515). t | : 739 (75 5-7. | ; 761- 1.5). | .5 (77. | 2.5-3). |

COPPER

| Highergrad | Unoffic'i close | +6 | High/lov |
|--------------------------|---|------------------|------------------------|
| Cash 5 months | 1020,5-1,5 1945,5-8,5 | -18.5 -18.5 | 1025/1016 1054/1041 |
| (1048-7). (1067-5-8), | osing (am) three r settlement close: 104 | nonths 1023 (| 1046-9 |
| Cathodes | | | |

Official closing (am): Cash 995-(1018-20), three months 1020-(1040-2), settlement 997 (1020). Turnover: 29,650 tonnes. U.S. Pre-ducer prices 66 00-89,00 cents per lb. LEAD

| | Unofficial closelp.m.) £ per to | | High/low |
|------------|---------------------------------------|---------|------------|
| Cash | 300,5-1 | +8.75 | 300, 500 |
| 3 months | 398,5-9 | +0.25 | 299, 206 |
| Official 6 | losing (am |): Cash | 299.5-300 |
| (2975, th | | 2985 | (298.5-9), |

Settlement 300 (297.5). Final kerb close 298.5-9). Turnover: 6.300 tonnes, U.S. Spot

NICKEL

| | Close(p.m.) — E per tonne | (High/low |
|------------------|--|-----------|
| Cash 3 months | 3580 90; —75.0 3545-50: —74.5 | 268913619 |
| (3840-50), | closing (sm): Cas three months 3630- ment 3575 (3650). I | 40 (3705- |

ZINC

| | Unofficia close (p.m. £ per t |) — : | High/low |
|------------------|-------------------------------------|---------------|--------------------|
| Cash 3 months | 535.7 539 41 | -5.0 +2.25 | 644/687 |
| | closing (a three stdemont 5 | m): Ca: | th 532-3 539-40 |

MAIN PRICE CHANGES

Aug 12 +or Month 1985 - ago Aug. 19 + or Month METALS #21100 | _____ \$1630/96 |------|\$1030/5 OTHERS

| Close(p.m.) | _ | High/low for day |
|--------------------|---|---|
| 9176-60 9155-60 | -70.0 -67.b | |
| three mont | hs 9150 | 9178-82 1-3 (9210- |
| \ | 1 | |
| 9175-80 9150-1 | -78.0 -72,6 | 9 190/8 179 5 186/8 160 |
| hose months | 9150-1 Final k | (9210-2) erb close: |
| | Close(p.m.) £ per to 9175-80 9185-60 close (am) three month nent 9182 (8 9175-80 9180-1 closing (am proe months 9180 (9238). | 9165-60 -67.b close (am): Cest three months 9150 neart 9182 (8240). 9175-80 -78.0 9150-1 -72.6 closing (am): Cest months 9150-1 9180 (9238). Final k |

LME prices supplied by

COLD BULLION (fine gunce) Aug. 12

Ciose \$3253-32614 (£/363, 2571, Opening \$3263-32714 (£257.23714) M'ni'g fix. \$426,60 (£237.010, Aff'n'n fix \$426,65 (£236,661)

SILVER

Silver was fixed 2.45p an ounce higher for soot delivery in the London bullion market yesterday at 454.5p, U.S. cent equivalents of the fixing level were: spot 627c, up 14.5c; three-month 639.15c, up 15.25c; aix-month 652.2c, up 16.35c; and 12-month 651.c up 15.85. The metal opened at 455-468p (627-530c) and closed at 455-468p (627-530c).

LME-Turnover 76 (17) lots of 10,000

FREIGHT FUTURES

Wheet saw a short-lived rally of 15p store dropping 30p and then stabilis-ig. Uncertainty over weather condi-ons was a major factor in continued ervous trading, reports Muirpace.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 92.60, E. Mids 94.70, Scotland 95.80. The UK monetary coefficient for the week beginning Monday August 19 (based on NGCA calculations using 4 days' exchange rates) is expected to change to 0.986.

The London physical market opened easier found in the support throughout the day and closed neglected, reports Lawis and Feat. Closing prices (80.00p (81.00p); Sept 60.00p (81.00p). The Kuela Lumpur feb price for RSS No 1 was 186.0 (189.5) cents a kg and for SMR 20 was 195.0 (168.0).

900/903 946/951 873:905 940/980 920/1005 1600/1050 875/1000

GRAINS

FINANCIAL TIMES Aug 9 Aug 8 Mith ago Year ago 254.60 :254.44 | 268.39 | 292.87 (Bese: July 1 1952 - 107) REUTERS

INDICES

Aug. 12Aug. 9 M'th ago Year ago 1699.2 1705.6 1706.5 1873.9 (Base: September 18 1931 - 100)

| DO | N TC | NES | | |
|------|--------|------------------|-------|------|
| Dow | Aug. | Aug. | Month | Year |
| | | 114.68 114.80 | | |
| (Bas | × Dece | mber 31 | 1974 | 100) |

COCOA

Futures were locked in a narrow ange and in light volume closed near he lows. Some United consume nearest was noted but producers lectined to follow the market lower and many methods was recorded for the control of t

| COCOA | Ciose | | Busines |
|----------|---|---|--|
| | º per tonne | _ | Done |
| Mayduty | 1750-1732 1727-1728 1736-1738 1749-1752 1760-1754 1770-1776 1778-1790 | -11.6 -18.0 -8.5 -9.0 -11.6 | 1757-179 1745-178 1755-174 1766-176 1790 |
| ICCO Ind | 22 (3,196) lo leator prices | (U.S. 0 | tonnes ents pe |

COFFEE

Following stronger starling and a lightly easier New York close, the merker opened £20-\$5 lower, reports Drakel Burnham Lambert. Losses were extended during a quiet affamicon but continued support between £1,830-COFFEE Supplemental Services of the Control of the Control

SUGAR

lated bests sugar was £191.00 £193.50) a tonce for export. International Sugar Agreement—(U.S. can'ts per pound fob and arowed Caribbean porta.) Prices for August 9: Delty price 4.32 (4.20); 15-day average 4.15 (4.08). SOYABEAN MEAL Yesterday + or Business

Sales: 2,058 (4,054) lots of 5 tunnes. ICO indicator prices (U.S. cents per pound) for August 8: Comp. delty 1978 119.09 (118.49); 15-day average 117.33 (117.29).

LONDON DARLY PRICE—Raw sugar \$18.00 (688.00), down \$2.50 (down \$2.50) a tonne for August-September delivery. White sugar \$156.00, down \$2.00.

Prices recovered from the pre-weekend sell off but when New York failed to march up the market moved back on to the disensive, reports C. Crantikow.

5 per tonne 194.5-194.2 (190.5-190.4) (204.5-170.4 128.0-194.2 (194.5-194.5) (204.5-192.0 187.5-188.0 (195.5-194.5) (204.5-195.5 140.5-140.5) (205.5-194.5) (205.5-194.2 140.4-140.6) (205.5-194.5) (205.5-194.2 140.4-140.6) (205.5-194.5) (205.5-194.5)

27,80 27,40 +0,05 25,15-25,25 -0 25,05-26,70 +0,175 27,45-27,55 +0,20 27,15-27,20 -0 26 55-28,35 -0 269-271 273-238 137-139 245-247 Busines Done +3.50 234.76.29.75 +2.50 251.25.27.76 +1.75 261.80.28.80 +1.80 230.75-29.25 -0.50 ---

A weaker physical market and the fromise of finer, more settled weather

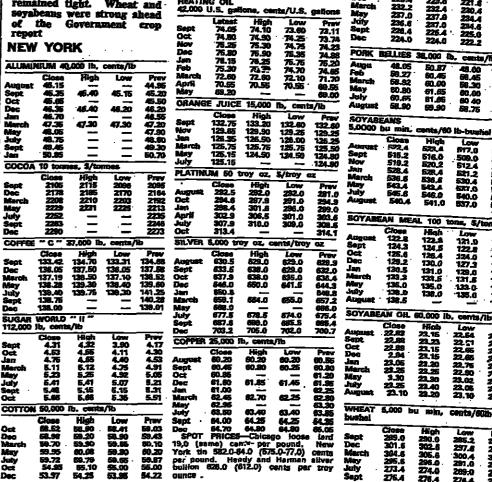
owards the weekend led to a 50-70 drop in quiet trading. Expectations of PMB plantings ennouncement follow 56.80 64.00 74,20 79,60

U.S. MARKETS

GOLD AND SILVER were mixed reflecting light over-head selling and profit-taking, reports Heinold Commodities. Copper weakened on the build-up in London exchange stocks. Sugar firmed on reports of fresh buying by trade on reports of fresh buying interest in the cash marekts. Cocoa continued to attract scattered manufacturer purchases as fresh news of new crop development remained lacking. CHICAGO U.S. gallora, S/barreta

Littest High Low 27.56 27.57 27.48 27.37
27.09 27.12 28.96 28.95 August 55.17 55.45 54.90
28.79 28.82 26.66 28.50 002. 58.00 58.60 57.85
28.54 28.54 28.64 28.69 28.27 Dec 53.35 59.35 59.35
28.30 25.20 25.20 28.04 Feb 60.15 59.40 59.20
28.10 25.10 25.10 25.70 25.70 25.70 25.25 45.20 26.90 25.0 Sapt 27.68 27.57 27.48
Out 27.09 27.12 28.98
Nov 26.79 28.82 26.65
Dec 26.54 28.84 26.40
Jan 26.30 26.30 26.20
Feb 26.10 26.10 26.97
March 25.55 25.85 25.70
April 25.70 25.80 25.70
June 25.00 25.00
GOLD 100 troy oz, \$/troy oz
Close High Low GOLD 100 troy oz, S/troy oz

Close High Low Prev Oct 38.42 43.55 Low Prev August 327.1 328.2 328.5 Dec 38.12 38.50 37.60 37.65 lost ground as dealer bearish crop report. Heating oil moved sharply higher as spot demand for crude and for distillate products contimed strong while supplies remained tight. Wheat and soyabeans were strong ahead of the Government crop HEATING OIL 42,000 U.S. galk Latest 74.05 74.80 76.80 76.15 75.30 72.60 70.55 88.20 48.05 50.87 58.27 50.45 58.32 60.00 80.80 61.65 60.65 81.66 58.90 55.90



OTHER MARKETS

Sales: 42 (18) .250 kg. SMITHFIELD—Pence per pound. Seef
—Scotch killed sides 78.0 to 81.0;
English forequenters 54.5 to 58.5; Ulster

kinquarters 86.0 to 82.0. Veal—Dutch hinds and ends 139.0 to 144.0. Larsh— English small 72.0 to 78.0, medium 70.0 to 74.0, heavy 68.0 to 70.0; Scotch heavy 66.0 to 68.0; imported: New Zea-land PL 64.5 to 65.5, PX 64.5 to 85.5. Pork—English under 100 to 60.0 to 56.5. 100-130 ib 95.5 to 50.5, 100-130 ibs 44.0. to 49.0.

MEAT COMMISSION—Average fatstock prices at representative markets,
GB.—Cattie 96.86p per kg tw (+0.14).
GB.—Sheep 165.60p per kg eat dcw
(+5.41). GB.—Pigs 79.89p per kg tw
(+2.97).

WOOL FUTURES

order: buyer, selfer, business). Australian cents per kg. Oct 510.0, 615.0, 511.0; Dec 615.0, 617.0, 618.0; March 623.0, 627.0, 623.0; May 630.0, 636.0, nil; July 633.0, 636.0, nil; Dec 635.0, 636.0, nil; Dec 630.0, 643.0, nil; March 633.0, 660.0, nil. Seles: 15.

Low 285.2 297.8 300.4 291.0 269.0 274.4

MAIZE—(U.S. \$ per tonne): U.S. three yellow affect 121, Aug 114, Sept 111, Oct 112, Oct/Dec 111, Jan/March 112, April/June 113, Argentine Piets affect 132, Aug 130, Sept 129, April/June 116.

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CURRENCIES, MONEY and CAPITAL MARKETS

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FOREIGN EXCHANGES

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CONTRACTOR

FINANCIAL FUTURES

Dollar weak ahead of figures

The dollar showed some recovery from its early morning exchange trading yesterday, but an instead weaker on the day. The tone was set by Mr Henry Kautman of Salomon Brothers, when he said Friday that the Federal Reserve may ease moneary policy to stimulate a singuish economy in the U.S. No economic figures were published yesterday, but the market recovery affect only a small rise in today's July retail sales and Thursday's industrial production for the same month. These, coupled with other figures due this week, are expected to indicate the U.S. economy has not shown any marked recovery affer a disappointing first half year. Dealers suggested that DM 2.78 is an important resistance level for the dollar, sand if it breaches this point the Currency may fall quits sharply. Abead of any new information about the U.S. economy the dollar traded nervouncy the dollar traded nervouncy the dollar in the DM 2.80 level. It fell to DM 2.78 level. It fel

CURRENCY MOVEMENTS

Morgan Guaranty changes; everage 1960-1962-100. Bank of England Index

(base average 1976-100).

| | Ecu contra! rates | Currency amounts against floor August 12 | % change from central rate | % change adjusted for divergence | Divergence |
|--------------------|-------------------------|---|-------------------------------------|--|------------|
| Franc | 44.8320 | 44.9879 | +0.35 | +0.79 | ±1.5525 |
| Krone | 8.12957 | 8.04231 | -1.06 | -0.62 | +1.6421 |
| n_D-merk | 2.23840 | 2_22585 | -0.58 | -0.12 | +1.1455 |
| Franc | 6,88402 | 6.80685 | -0,84 | -0.40 | ±1.3654 |
| Guilder | 2.52208 | 2.50194 | -0.83 | -0.35 | ±1.5162 |
| Punt | 0.724678 | 0.713366 | ~7.55 | -1.11 | ±1.8673 |
| Lina | 1520.60 | 1484.16 | ~1.74 | -1.74 | ±4,0858 |
| Changes weak cu | are for E | cu, therefore ljustment cal | positive che | inge denotes Inancial Times | 4 1. |

German money market, despite a drain of liquidity through an expiring securities repurchase agreement of DM 10.7bn, replaced by only DM 4.3bn in new money under a similar pact. Opinions were divided about a Opinions were divided about a possible cut in the Bundesbank's lending rates at this week's council meeting. The central bank did not intervene when the dollar fell to DM 2.7884 from DM 2.8313 at the Frankfurt fixing. At the close the dollar was quoted at DM 2.7885 compared with DM 2.8328 averaged. with DM 2.83825 previously.

STERLING INDEX Aug 12 Previous 8.20 am 81.3 80.6 9.00 am 81.2 80.7 80.8 80.8 86.7 80.7

£ IN NEW YORK

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Aug. 12 Prev. close 2 Spot \$1.3780-1.5798 \$1.3700-1.5719 1 month 0.48-0.43pm 0.42-0.41 pm 5 months 1.15-1.11pm 1.12-1.09 pm 12 months 2.85-2.75pm 2.70-2.60 pm

CURRENCY RATES

*CS/SDR rate for August 9: 1,39709.

POUND SPOT-FORWARD AGAINST POUND August 12 spread

August 12 epread Close One month p.

U.S. 1.3895-1.3676 1.3830-1.3840 0.46-0.450 pm 9.

U.S. 1.3895-1.3676 1.3830-1.3840 0.46-0.450 pm 9.

Nethind 4.31-4.354 4.354-2.1.828 0.48-0.41c pm 2.

Belgium 77.82-78-25 4.347-4.355-2.26 cls -0.

Deutsperk 13.389-13.394 13.97-13.96 3.72-30 pm 5.

Irsiand 1.2281-1.2438 1.2381-1.277 0.20-0.05p pm 1.

V. Ger. 3.43-3.574 2.869-3.874 2.72-2.97 pm 7.

Portugal 225.50-231.65 228.65-229.86 0.410c dis -12

Spain 226-20-228.14 227.62-228.14 25-140c dis -12

Spain 226-20-228.14 227.62-228.14 25-140c dis -17

France 11.734-11.824 11.811-11.825 3c pm-5dis -17

Switz. 3.17-3.192 3.18-3.19 2-7-12-0 pm 1.

Belgium 77.22-55 27.18-27-24 143-13-13-0 pm 1.

Switz. 3.17-3.193 3.18-3.19 2-17-5 pm 1.

Belgium 77.22-55 27.18-27-24 143-13-13-0 pm 1.

Switz. 3.17-3.193 3.18-3.19 2-17-5 pm 1.

Belgium 77.22-55 27.18-27-24 143-13-13-0 pm 1.

Six-month forward dollar 1.92-1.87-pm. 12-month p.a. months

3.96 1.14-1.10cm
2.84 1.08-0.96pm
5.86 57-57-pm
-0.83 35-18pm
-0.83 35-18pm
-1.26 0.47-0.25pm
1.26 0.47-0.25pm
-1.23 425-1485d
-1.39 8-1745e
-0.33 21-35-16s
-0.33 21-35-16s
-0.43 10-103-16s
-0.43 10-103-16s
-0.43 10-103-16s
-0.57 23-56le
-1.39 8-1755e
-1.39 8-1755e
-1.39 8-1755e
-1.39 10-103-16s
-1

OTHER CURRENCIES

| Aug. 12 | Æ | | | | Note |
|--|--|--|--|--|---|
| Argentina Austi. Australia Dollar Brazil Cruzeiro. Findand Markkay Greek Drachma HongKong Dollar Iran Rial | 1 9800-1.9340 9,067-9,102 8.1916 8.2116 179,15-182,76 10,7100-12,160 129,50* 0,4164 0,4160 78,16-78,28 5.8900-3 8876 2,0400-3,0300 2,8600-3,0300 | 1.395 6.55 5.943 130,8 7.779 0.302: 56.5 2.457 1.838 3.650 2.070 | 16-1,3976 10-6,600 10-6,9450 15-122,85 15-7,7816 10-0,39228 10-0,39228 10-0,39238 10-0,392 | Sweden Switzerland United States | 26.90 78.40 13.80 11.72 5.844 256 520 4.52 11.52 223 219 11.41 5.15 |

| Argentina Austi. 1 Australia Dollar Israzii Cruzeiro Finland Markkay 8 Greek Drachma 12 HongKong Dollar 16 Iran Rial KuwaitDinar(KD) 0 Lucembourgfr Malaysia Ringgit 8 NewZealand Dir. 2 Saudi Arab Riyai 6 Singapore Dollar 6 Sth African Rand 2 Sth African Rand 2 | 9500.1.9340 9,067-9.102 6,1916.8.2116 5,915.62.76 1325.07 129.50 4,7100.18.2180 7.7 129.50 4,164.0.4169 0,305.0.305 5,400.2.305 0,318.5.0360 1,0318.5.0360 1, | 080 1,600 p. 1,85-139,85 g. 1,85-139,85 g. 1,98-7,7615 j. 1,89-25 j. 1,810-0,30220 m. 1,50-66,60 p. | alglum enmark rance ermary ely topan theriands provay rrugal voten witzerland | 26.90-27.20 78.40-79.20 13.86-14.00 11.75-11.90 5.84-14.3.83-1 2560-2610 326-320 11.52-11.43 223-235 219-228 11.41-11.52 5.16-3-19 1.57-1.39 |
|--|--|---|---|--|
| EXCHANGE | CROSS RA | alling min. TES | | 360-400 |
| Aug. 12 | Pound Striling | U.S. Dollar | Deutschemik. | J'panese Yen |
| Pound Sterling | -1. 0.793 | L384 | 3.868 | 328.0 |

| EACHANGE CHUSS NAIES | | | | | | | | | | | | | |
|----------------------|---|-------------|---|-------------|--|-------------|----------------|---|-------------|--|--|--|--|
| Pound & ling | U.S. Dollar | Deutschemk. | J'panese Yen | FrenchFranc | Swiss Franci | Dutch Gulid | . Italian Lira | Canada Dollar | Belgian Fra | | | | |
| 0.783 | L384 | 3,868 | 328.0 | 11.82 | 3,185 | 4;350 | 2598. | 1 881 | 78.20 | | | | |
| | 1. | 2,798 | . 237.2 | 8.553 | 2,304 | 3,146 | 1879 | 1,360 | :56,55 | | | | |
| 0,259 | 0,358 | 11.79 | 84,81 | 3,056 | 0.834.71 | 1.125 | 671.8 | 0.486 | 20,22 | | | | |
| 3,049 | 4,218 | | 1000 | 36,04 | 9,710 | 13,26 | 7921, | 5.734 | 238,4 | | | | |
| 0,846 | 1,170 | 3.272 | 277,5 | 10. | 2.695 | 3.680 | 2198. | 1,591 | 66,16 | | | | |
| 0,314 | 0,434 | 1.214 | 103,0 | 3,711 | 1. | 1,366 | 815,7 | 0,591 | 24,55 | | | | |
| 0.385 | 0,318 | 0.889 | 75,40 | 2,717 | 0,732 | 1,674 | 597,8 | 0.452 | 17.98 | | | | |
| 0.385 | 0,633 | 1.489 | 126,3 | 4,560 | - 1,225 | | 1000, | 0.724 | 30.10 | | | | |
| 0.532 | 0,736 | 8,056 | 174,4 | 6.284 | 1,695 | 2,313 | 1381. | 2,406 | 41,58 | | | | |
| 1.379 | 1.769 | 4,946 | 419,4 | 15.12 | 4,075 | 8,563 | 8322. | | 100, | | | | |
| | -1 0,723 0,259 2,049 0,846 0,314 0,230 0,385 | -1 L384 1 | -1. L384 3.868 0.723 1. E.798 0.259 0.358 1.79 0.846 1.170 3.272 0.314 0.434 1.214 0.230 0.318 0.889 0.386 0.633 1.489 0.532 0.736 2.056 | -1 | -1 L884 3.868 328.0 11.82 0.723 1. 2.738 237.2 8.653 0.259 0.358 1. 84.81 3.956 11.79 1000 36.04 0.846 1.170 5.272 277.5 10. 3.711 0.230 0.318 0.899 75.40 2.717 0.386 0.633 1.489 126.3 4.560 0.522 0.736 8.056 174.4 6.884 | -1 | -1. | -1. L384 5.868 237.2 1.82 3.186 4.350 2598 27.2 5.653 2.304 3.145 1879 0.259 0.358 1. 84.81 5.056 0.894 1.125 671.8 11.79 1000. 58.04 0.710 13.26 7921 0.846 1.170 8.272 277.5 10. 2.696 3.680 2198 0.314 0.434 1.214 105.0 3.711 1.366 815.7 0.250 0.318 0.899 75.40 2.717 0.732 1. 597.2 0.366 0.633 1.489 126.3 4.550 1.226 1.674 1000. 0.552 0.736 8.056 174.4 6.884 1.695 2.513 1381 | -1 | | | | |

EURO-CURRENCY INTEREST RATES (Market closing rates)

| Aug. 12 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Gulider | Swiss Franc | D-mark | French Franc | italian Lira | Belgia: Conv. | Franc Fin. | Yen | Danish Krone |
|------------|--|--|--|--|--|---|--|--|--|--|---|---|
| Short-term | 1156 1154 1155 1116 1176 1176 1118 1114 | 75g-73g 75g-77g 71g-77g 71g-8 81g-814 81g-86g | 81g-85g 61g-854 85g 87g 87g 91g 914-91g 912 93g | 61g-614 61g-614 6-61g 57g-6 57g-6 57g-6 | 316-366 416-414 414-416 456-414 414-418 414-416 | 48 41 42 46 45 43 41 41 41 41 41 5 | 914-934 1014-1034 1136-1156 1216-1234 1212-1234 18-1214 | 71g-131g 85g-115g 1214-153g 131g-141g 135g-141g 135g-1414 | 8 854 8 4 954 9 978 934 1014 978-1089 10-1018 | 778-814 854-8 918 914 916-956 956 954 934-978 | 664 6454 645 8 6458 6468 6468 | 954-954 854-954 854-954 854-958 9-958 |

Asian 3 (closing rates in Singapore): Short-term T_{24}^{m} - T_{24}^{m} per cent; seven days T_{24}^{m} - T_{24}^{m} per cent; three months 8-8° per cent; six sources and sources are contracted as the seven days of the per cent; three years $10^{1}_{-}10^{1}_{+}$ per cent; four years $10^{1}_{-}10^{1}_{+}$ per cent; for $10^{1}_{-}10^{1}_{+}$ per cent; for 10

4.74.8 4.70 4.80 4.70 4.85 4.70 4.85 4.75 4.90 6.0

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6.34376

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Discount Houses Deposit and Bill Rates

11 10 TE

MONEY MARKETS

UK rates slightly easier

MONEY RATES

LONDON MONEY RATES

Interest rates were a little lower where changed in London yesterday, helped by a firmer pound and renewed hopes of lower U.S. interest rates. Sentiment was also influenced by a revision in UK producer prices in June although the July fall in input prices was not as large as had been hoped for. Three-as had been hoped for Three-sury bills in band 2 (1533 days) at 11½ per cent, £2m in band 3 filom of Treasury bills and £100m of eligible bank bills in band 4 it forward 11½ per cent, £2m in band 3 filom of Treasury bills and £100m of eligible bank bills and £10m of £100m of eligible bank bills and £100m of eligible bank bills and £100m of eligible bank bills and £100m of eligible bank bi in June although the July fall in input prices was not as large as had been hoped for. Three-month interbank money was quoted at 11½-11½ per cent compared with 11½-11½ per cent while three-month eligible bank bills were bid at 10½ per cent compared with 11½-11½ per cent. Overnight interbank money traded between 11 per cent and 13 per cent.

UK clearing banks base-lending rate 111 per cent since July 30. The Bank of England forecast a shortage of around £300m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £1,108m and the unwinding of previous sale that the unwinding of the unwinding and repurchase agreements a further £285m. Thes were partly offset by Exchequer transactions adding £270m and a fall in the

FT LONDON INTERBANK FIXING

| (11.00 a.m. Three promise | Aug. 12) ; U.S. dellara |
|---|---------------------------------------|
| bid 7 15/19 | offer 8 1/16 |
| Six months | U.S. dollars |
| Bit 8 bid | offer 81/4 |
| The fixing rates means, rounded to sixteenth, of the bi for \$10m quoted five reference bank working day. The | d and offered rate by the market i |

ECU Linked Deposits 754-776 744-743 754-8 775 846 6년 9년

ECGD Fixed Finance IV. Average Rate of Interest period July 3 to August 6 (inclusive): 11.569 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 123 per cent from August 1. 1885. London and Scottish Clearing Bank Rates for landing 113 per cent. Bank Deposit Rates for sums at seven days' notice 6.25-6.625 per cent. (ast). Tressury Bills: Average tender rate of discount 10.9568 per cent. Certificates of Tax Deposits (Series 8): Deposits £100,000 and over held ender one month 113 per cent ose-three months 113 per cent three-six months 11 per cent; six-niae months 103 per cent inine-12 months 103 per cent. Under £100,000 103 per cent from July 28. Deposits held under Series 5 10% per cent. The rate for all deposits withdrawn for cash 72 per cent.

MONEY RATES NEW YORK (Lunchtime) Treasury Bills

114-114

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91<u>a-94</u> 91<u>a-94</u>

Firmer trend

to be sluggish in the second half of this year. This followed comments late on Friday by Mr Henry Kaufman, of Salomon Brothers suggesting lower U.S. interest rates and slower-than-expected economic growth. Consequently U.S. bond futures opened higher and were well bid during the morning.

The value of the dollar.

Sterling - based instruments were higher, helped by sterling's strunger performance and removed hopes of an early cut in UK base rates. The improvement in gilts was rather short lived however with a stronger start failing to attract any follow through despite encouraging inflation figures. Dealers suggested some included.

STOND ST LONDON "5 Tisree "6"
p.s. months p.s.
3.95 1.14-1.10pm 3.24
2.69 0.65-0.50pm 2.08
-1.10 0.34-0.39dis -1.07
1.91 1.83-1.60pm 2.05
-1.91 23-30dis -1.97
-0.39 1-11.dle -0.49
3.54 2.35-2.30pm 3.32
-16.12 450.1200d -19.70
-8.10 250-450dis -8.49
-5.91 25-27dis -4.88
-5.93 9-9-dis -4.88
-4.21 9-10-dis -6.57
1.77 1.00-0.95pm 1.64
2.69 12-10pm 2.28
3.78 1.95-1.90pm 3.34
Forward premiums and Sept 0.4339 trasso | March | Sept 2 (2) | Previous day's open int. 188 (188) | June 89.52 89.57 89.52 | STERLING (IMM) \$5 per £ JAPANESE YEN Y12.5m \$ per Y100

Cioca - High Low Prey Sapt Sept 128.85 129.00 128.30 128.80 Doc Doc 129.30 129.30 129.25 129.05 Merch June Previous day's open Int. 1,462 (1,477) Sept

Parker, M. Sys & The

Prices were mostly higher in pattern, slipping during the the London International afternoon on renewed selling Financial Futures Exchange and some concern over the yesterday amid speculation that U.S. economic growth was likely to be sluggish in the second half Sterling - based instruments

interest rates and slower-thanexpected economic growth. Consequently U.S. bond futures opened higher and were well bid during the morning.

Some of the day's gains were eroded in the afternoon however paratively unattractive level. Short sterling contracts managed mainly from the U.S. Euro-dollar prices followed much the same gains again on base rate hopes. U.S. TREASURY BONDS 8% \$100,000 32nds of 100%

| Previous day's open int. 20,224 (20,149) | U.S. TREASURY BONDS (CBT) 8% | THIRES-MONTH STERLING (2500,000 points of 100% | Sept 88,97 89,00 89,83 89,85 | Dec 89,62 89,67 89,00 89,83 89,85 | March 89,82 89,67 89,60 89,52 | March 89,82 89,86 89,81 89,76 | Sept 88,73 89,86 89,81 89,76 | Sept 89,78 89,82 89,80 89,75 | Sept 89,78 epen int. 7,842 (6,805) | Previous day's open int. 7,842 (6,805) | Previous day's open int. 7,842 (6,805) | Sept 112-13 112-25 112-10 112-05 | Dec 112-13 112-12 112-10 112-05 | Dec 112-13 112-12 112-10 112-05 | Dec 112-13 112-13 112-12 112-05 | Dec 112-13 112-13 112-13 112-13 | Dec 112-13 112-13 112-13 | Dec 112-13 112-13 | Dec 112-13 112-13 | Dec 112-13 112-13 | | Close High Low Prev | Sept 1.3755 1.3800 1.3700 1.3865 | Sept 0.4218 0.4221 0.4217 0.4186 | Dec 1.3545 1.3700 1.3865 1.3505 | Dec 0.4240 - - 0.4220 | Alerth 1.3565 1.3800 1.3485 1.3505 | Sept volume 2 (2) | Previous day's open int. 170 (172) | GMMA (CBT) 8% \$100,000 32nds of FT-SE 100 INDEX | 225 per full index point 1stast High Low Prev 75-08 75-25 76-07 75-10 74-21 75-04 74-19 74-23 — — — 74-00 — — — 73-13 — — 72-28

邮€ OPTIONS REPORT Starting Currency—£25,000 c per £ Eurodollar Future—points of 100% Est volume Calis Pute 130 20 For full datails of settlement prices call; Louise Powell of LIFFE on 01-623 0444 LIFFE, ROYAL EXCHANGE, LONDON ECSV 3PJ

Company Notices

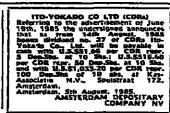
INTERFIRST TEXAS FINANCE N.V. US\$100,000,000

Guaranteed Floating Rate Notes Due 1989

In accordance with the provisions of the Notes, notice is hereby given that for the three months period August 13th. 1985 to November 13th, 1985 the Notes will carry a Rate of Interest of 81% per annum with a Coupon Amount

> Agent Bank CHEMICAL BANK

Suppor from 10-3.30 am. Disco and 100 Boorsbows, 189, Regent St. 01-734 0557.



U.S.\$ 20.000.000



Central-European International Bank Ltd. (incorporated as a joint stock company in Hungary)

Floating Rate Notes 1990 Extendable at the Noteholder's option to August 1992 and thereafter to August 1994

In accordance with the provisions of the Agent Bank Agreement between Central-European International Bank IId. and Arab Banking Corporation — Daus & Co. GmbH dated July 17th, 1984, notice is hereby given that the Rate of Interest has been fixed at 84% p.a. and that the interest payable on the relevant Interest Payment Date, February 13, 1986 against Coupon No. 3 in respect of U.S.\$ 10,000 nominal amount of Notes will be U.S.\$ 440.83 and in respect of U.S.\$ 25,000 nominal amount of Notes will be U.S.\$ 1,102.08.

London, August 13, 1985

By: Arab Banking Corporation — Dans & Co. GmbH, Agent Bank

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on August 12, 1985. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) linancial rate; (ex.C) exchange certificate rate; (nc) non commercial rate; (nc) nominal; (o) official rate; (sg) selling rate; (c) controlled rate; (u) unified rate.

| COUNTRY | CURRENCY | VALUE OF £ STERLING | COUNTRY | CURRENCY | VALUE OF £ STERLING | COUNTRY | CURRENCY | VALUE OF £ STERLING |
|---|---|--|--|---|---------------------------|---|--------------------------------|--------------------------|
| Afghanistan | . Afghani | 99,00 | Greenland | Danish Kroner | 13,9750 | Peru, | Sol | exe(A)19,220.1 |
| Albania | , Afghani | 10.4880 | Grenada | E. Caribbean \$ | 3.72 11.82 | Philippines | Philippine Peso | 84.50 |
| Algeria | Dinar | (A)7.30 11.82 | Graw | U.S. S | 1,3835 1,3835 | Pitcairn Islands | New Zealand \$ | 2,5438 |
| Anderra | French Franc Spanish Poseta | 227.88 39.2575 | 4 GUSTAMAIS | | 1,8835 35,29 | Poland | Zintu | 206.77 |
| Angola | . Kwanza. . E. Caribbeen & | 39,2570 3,72 | Guinea | Peso | 202.08 | | - | |
| Antigua | Austral | 1.1035(16) | GUYERS | Guyanesa 6 | 5,7790 | Puerto Rico | PortugueseEscudo | 226,15 1,3835 |
| Australia | Austalian 8 . Schilling Portuga'se Escudo Ba. Dollar Diner | 1,9325 | Halti Honduras Hong Kong | Gourde | 6,89 2,77 | | _ | 5.0050 |
| AZOTOS | . Portuga'se Escudo | 27.21 228.16 | Hong Kong | H.K. § | 10,7125 | Catar | Qatan Ryal | |
| Венагная | . Ba. Dollar | 1,5855 0,5185 | 3 | | 67.2340 | Reunion Island | French Franc | 11,82 |
| Bahrain Balearic Isles Bangladesh Barbados | ., Dingr ., Soa Peseta | 227,88 | Hungary | | | Romania | Lau | (Cm) 5.78 (N/C) 16.15 |
| Bangladesh | . Taka | 38,28 2,7725 | loeland | L Krona | 56.6725 16.25 | | | 141.73 |
| Beiglum | , barbacios e | (cm) 78.80 | India | Rupiah | 1,539.78 129,50(s.g.) | Rwanda | | - |
| Congium | . D. France . | (fm) 79.1250 2.76 | I TREE | Rial Iragi Dinar | 129,50(s.g.) 0.4865 | St. Christopher | E. Caribbean \$ | 3.72 |
| BelizeBenin | . C.F.A. Franc | 591.0 | iraq Irish Republic | Irish & | 1.2366 | St. Helena | at malenas East Carribean S | 1.0 3.72 |
| Bermuda | . Bda 8 | 1,3835 16,25 | irith Republic Isreal annual point Italy constant point Ivory Coast | Shekel | 2,060,0 2,598,0 | St. Lucia | Local Franc | 11.82 |
| BRUTAN | , Agustrum Melbden Bese | (u)62,032.5 · | IVORY COSSE | C.F.A. Franc | 591,0 | Samoa American | v.s. š | 1.3835 |
| Bolivia | , polivian reso | 2,3950 | lamaica | Jemeire Bhiltir | 8,3230 (s.g) | San Marino Sao Tome & Prin | TOUGHT LIFE | 2,598.0 61.02 |
| Botawana | . Cruzeiro# | 9.084.5 | JapanJordan | Yen Jordanian Dinar | 328,00 0,5320 | | | |
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| Brunel | Brunel \$ | 3.0250 1.4145 | Kampuchea | Kenya Shiiting | N/A 23,10 | Seychelles | 8. Rupes | 9.51 (O) 7.45 |
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| Cabina | . Cyprus 2 | ((com) 9.50 | Maldive Islands | Ruflyan | 9.72 591.0 | Togo Republic Tonga Islands Trinidad Tunisia | C.F.A. Franc | 1.9325 |
| Czechoslovakia | Koruna | < U(0 10'0# | Maid Rapoble Maita Martinique Mauritania Mauritania | G.F.A. Franc Maltesa Lita | 0.5175 | Trinidad | Trinidad & Tob 5 | 3.52 |
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‡ Rate is the transfer market (controlled). ‡‡ Now one official rate. (1) Essential goods. (2) Preferential rate for priority imports such as foodstuffs. (4) Preferential rate for judgic sector debt and essential imports. (5) Preferential rate. (6) Frae rate for luxury imports, remittences of money abroad and foreign travel. (7) Parallel rate. (8) Bank note rates. (10) Rate for exports. (12) Rate for imports.. (13) Essential imports. (14) Nearly all business transactions. (15) Argentina: June 15, new-currency introduced: 1 austral=1,000 old pesos.

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ENGINEERING

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Ca. 50c | 170 | 87 | Easter 1 mrs. Ca. 50c | 189 | 190 | 190 | 12 | 18 6 | 18 1 | 190 | 18 1 | 190 | 18 1 | 190 | 18 1 | 190 | 18 1 | 190 | 18 1 | 190 | 18 1 | 190 | 18 1 | 190 | 18 1 | 190 | 18 1 | 18 1 | 190 | 18 1 | 18 1 | 190 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 190 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | 18 1 | REGIONAL & IRISH STOCKS | REGIONAL & IRISM STOCKS | The following is a selection of Regional and Irish Stocks, the latter being constent at Insh currently. | Albany low 200 | 96 | Arrott | 280 | Cray & Rose £1 | 700 | CPH Hisps | 56 | Selection | 285 | Hispons Barew | 235 | Dobin Gat. | 70 | Hispons Barew | 235 | Dobin Gat. | 70 | Hott Llos 259 | 720 | Had (R. & H.) | 57 | Henon Hisps | 19 | Irish Ropes | 46 | Robert | 19 | Risks | 19 | Irish Ropes | 46 | Robert | 19 | Risks | 19 Far West

137 (20)-Buffels RI

247 (138 Deelbraat RO.20

116-1/51 (Doorstones RI

129-1/51 (124) (Doorstones RI

129-1/51 (124) (Doorstones RI

129-1/51 (124) (Doorstones RI

129-1/51 (124) (Doorstones RI

120-1/51 (124) (Far West Rand LEISURE "Recent Issues" and "Rights" Page 22 (International Edition Page 26) This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per

ATA Selection 5p. | 62 | ... | b91.5 2.6 5.5; 16.8 |
Abbey Life 5p. | 939 | +8 | b6.5 | 5.9; 16.8 |
#Abert'n Steak H. 5p. 75 | +8 | ug2.3 2.0 16.5 4.3 |
Anglo Utd. Dev. | 156 | 157 | 52.6 3.8 2.6 17.1 |
Applietree 10p. | 146 | 15 |
Bandstock 5p. | 189 | 189 |
Brent Walker 10p. | 116 | 55.3 2.6 4.3 16.1 |
British Aerospace 50p | 175 | 13.65 3 16.7 6.5 |
British Aerospace 50p | 176 | 13.65 3 16.7 6.5 |
British Aerospace 50p | 176 | 13.65 3 16.7 6.5 |
British Do. | 146 | 141.5 4.9 1.4 13.5 |
British Do. | 146 | 148.5 | 148.5 |
British Do. | 148.5 | 148.5 | 148.5 |
British Do. | 148.5 | 148.5 | 148.5 | 148.5 |
British Do. | 148.5 | 148.5 | 148.5 | 148.5 |
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British Do. | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 |
British Do. | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 |
British Do. | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 |
British British Do. | 148.5 | 148.5 | 148.5 | 148.5 |
British British Do. | 148.5 | 148.5 | 148.5 | 148.5 |
British British Do. | 148.5 | 148.5 | 148.5 | 148.5 |
British British Do. | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 |
British British Do. | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 | 148.5 |

30 per cent stake

a restricted market and rose 231

to 230p zd.

Shell lower

a U.S. drilling report.

Golds up again

EQUITIES

Stronger pound stimulates Gilts and equities follow improved 10 to 440p, while RTZ, Britoil new shares start well

Account Dealing Dates
Option

*First Declara- Last Account
Dealings tions Dealings Day
July 29 Ang 3 Ang 30 Sept 9
Sept 2 Sept 12 Sept 13 Sept 23

* "Now-time" dealings may take
place from \$3.0 and two business may take
earlier.

The renewed strength of
sterling against the dollar encouraged a revival in Government securities which eventually
imparted a brighter tone to leading shares in London yesterday.
Fresh overseas and domestic
demand for Gilt-edged stocks
enabled the authorities to sell
the last of the £200m tranche of
Exchequer 91 per cent 1988, at
3551, and later in the day
announce new funding; £800m of
Treasury 91 per cent 2002 is to
be issued by tender at a minmum price of £96, payable £25 on
application with the balance due
early next month,

Gilt-edged trading was suppo-

early next month, Gilt-edged trading was suspended after the news and when resumed after-hours maturities in the area of the new stock were quoted lower than their 3.30 pm levels. These stocks eventually picked up but failed to match their earlier high points. Remaining Gilts held close to the best and some medium life issues displayed gains ranging to \(\frac{1}{2}\). The shorts achieved rises of \(\frac{1}{16}\) in places as hopes of lower interest rates were rekindled by the stronger pound. Index-linked stocks also improved, despite forecasts that the UK rate of inflation would fall to 3 per cent within the lifetime of the present Government.

Equity market interest centred initially on Britoil and the start of dealings in the new 100p-paid shares. The opening premium of around 23p was slightly below turnover eventually exceeded to the best maked of the interim figures comme optimistic forecasts but turnover eventually exceeded to the best maked of the interim figures comme optimistic forecasts but turnover eventually exceeded to the line of the lifetime of the present of dealings in the new 100p-paid shares. The opening premium of expected on August 19, while comment. their earlier high points. Remain-

turnover eventually exceeded most expectations. Small sales from stags were easily absorbed and the price hardened to 124p before easing to 120p and settling at 122p. For such a large issue, the first day's price fuctua-tion was considered relatively modest. Britoil old shares suffered from switching opera-tions and reacted to close at 202p, down 12 after allowing for the dividend deduction.

the dividend deduction.

International stocks were neglected because of the strong pound but most sector leaders improved after a cautious openproducer prices and retail sales, both for July, gave sentiment a boost but market activity generally for the opening session of an extended trading Account was rather low. Six constituent stocks of the FT Ordinary share index were quoted ex-dividend and the deductions took a toll on the measure. After opening 3.5 down, the index recovered to close a up on the session at

Composites mixed

highlighting the group's recovery potential directed attention topotential directed attention to-wards Exeratt Developments, up 4 at 82p. The absence of any news concerning the possible sale of St Piran's 78.7 per cent holding in the company clipped 5 more from Milbury, at 25p. Ruberold continued to benefit from the decision to liquidate its Camrex subsidiarles and rose 10 further to 163p, while USM-

S. R. Gent wanted

As on Friday, excitement in Retailers was usually provided by secondary issues. Owen Owen, buoyant of late amid persistent takeover speculation, hardened 10 more to 360p on confirmation that USM-quoted Clayform Properties 9 up at 167p has acquired 11.6 per cent of the equity. Liberty, another recent high-flier, ignored "take-profits" advice to close 10 to the good at 800p with the non-voting shares 20 higher at 600p. Marks and Spencer supplier S. R. Gent took Spencer supplier S. R. Gent took Friday's rally a stage further, gaining 12 to 90p with the aid of "call" option business. Buyers also showed revived enthusiasm for A. Goldberg, 3 dearer at 68p, after a new 1985 high of 70p, and for J. Hepworth which put on 5 to 237p, also a 1985 high; the latter following publicity given to its expansion into domestic furnishings. Jewellers Asprey rose 1; to £11; on satisfaction with the increased full-year profits and proposed 2-for-1 scrip issue.

undecided ahead of the interim market in Electricals, falling to at 67p, while Davy Corporation dividend season. Commercial a 1984 low of 84p prior to closing finished 61 to the good at 109p Union, the first to report half-4 down at 88p following comment xd. Mitchell Somers found sup-

FINANCIAL TIMES STOCK INDICES

| | 12 | 9 | 8 | 7 | Aug. : | 6 1 | year ago |
|---|--------|---------|-------|--------|--------|--------|-------------|
| Government Secs | | | | | | | |
| Fixed interest | 984,2, | 959,5 | 958,0 | 965.7 | 955,1 | 945,8 | 840.5 |
| Gold Mines Ord. Div. Yleid | 4.85 | 4,87 | 4,68 | 4,87 | 4.89 | 4,98 | 4,92 |
| Earnings, Yid. %(fuil) P/E Ratio (net) (*) | 10,32, | 10,29 | 10.25 | 10,25 | 10.21 | 10.18 | 10.37 |
| Total bargains (Est.) | - 1 | 364_05: | 366.8 | 313.4I | 389.61 | 336.26 | 281.35 |
| Equity bargains | | | | | | | |

2 pm 963.0. 3 pm 963.2. 4 pm 963.8. Day's High 964.2. Day's Law 966.0. Basis 100 Govt. Secs. 15/10/28. Fixed Int. 1928. Ordinary 1/7/35.

Latest Index 01-246

SE Activity 1974,

HIGHS AND LOWS S.E. ACTIVITY INDICES

| | . 19 | 85 | Since Co | mpilat'n | | Aug. | Aug. |
|------------|------------------|-----------------|---------------------|-------------------|-------------------------------------|----------------|----------------|
| | High | Low | High | Low | Daily | | |
| ovi. Secs. | 83,87 (68/7) | 78,02 (26/1) | 127.4 | 40 18 | Equities | | 155.4 |
| ixed Int | 86.74 (58/7) | 82,17 (28/1) | 150,4 (28/11/47) | 50.53 (5/1/75) | Bargains Valuo 5 dayAverage | 735.8 | 108,6 741,4 |
| rdinary | 1084,5 (22/1) | 911.0 (25/7) | 1024,5 (22/1/86) | (28/8/40) | Giit Edged Bargains, Equities | 154,6 | 185.0 |
| old Mines | 836.9 (16/4) | 298,1 (8/8) | 784,7 (16/2/88) | 48,5 | Baronine | 104.1 715.6 | 102.6 759.8 |

on the poor interim results. port at 70p, up 6 and improvements of 3 and 4 respectively 131 more to 357p in reply to a week-end Press report resurrecting takeover possibilities. Racal put on 6 to 162p and GEC appreciated 4 at 192p. Elsewhere, Cass Group jumped 25 to 205p to F. H. Tomkins for £10.7m; resulting further power of the life. ciated 4 at 192p. Elsewhere, Cass Group jumped 25 to 205p awaiting further news of the bid approach, while Press-inspired improvements of around 5 were seen in Security Centres, at 120p, and Retaflex, at 165p. Demand ahead of Thursday's Demant anead of Thursday's trading statement and news of a subsidiary's contract left Stone International 8 higher at 162p, while BSR hardened 2 to 75p, after 78p, in anticipation of to-day's interim figures.

Several firm features emerged among secondary Engineerings. Clayton were outstanding and rose 24 to a 1985 peak of 142p following persistent speculative buying in a thin market, while Thomas Robinson gained 4 to 101p in reply to Press comment. profits and proposed 2-for-1 scrip
Suc.

Buyers showed fresh enthusiasm for Habit Precision on takeover hopes and the close was 5 higher

FHT closed a fraction dearer at at 201p xd. Buyers reappeared for selected leading Foods. Tate and Lyle firmed 5 to 448p, while Rowntree Mackintosh gained the same amount to 393p ou renewed over-seas support. Among Retailers, Tesco edged up 3 to 263p and Associated Dairies, firmed 4 to 146p, while current takeover favourite Kwik Save hardened

a couple of pence more to 218p; suggested bidders Argyll rose 5 to Grand Metropolitan touched
315p prior to closing a net 9 up
at 313p following details of the
group's latest U.S. expansion—
the £284m acquisition of Pearle
Health Services, an eye care j,tuadEryt-ra7},fizrRr2a sh sh sh

Christie-Tyler soar

Furniture manufacturers christof-typer provinces at our standing feature in miscellaneous industrials, jumping 29 to 78p. after 80p, on news of a bid approach. Parkield advanced 11 and Einorco 50 to the good at a process of the control of t

the sharemarket maintained momentum throughout the day. Although selected issues drifted

rum the best levels following lightly easier indications from slightly easier indications from Wall Street, gains were often of sizable proportions. Vaal Reefs led the way in top qualify Golds, rising almost four points to 5594 rd, while Winkelhaak added 2 to £174. Southwal put on 14 more to £264 rd. Among the smaller-priced and more marginal issues, Durban Deep spurted £28 to \$76. The FT Gold Mines index rose 11.9 points to 349.1.

the

Strong at

support and advanced 16 to 378p. while "Anamint" firmed 1; more to £39. London-registered issues also gained

FRIDAY'S **ACTIVE STOCKS** Above average activity was noted in the following stocks yeaterday. Closing Day's price change SICC 195 Britoil (partly-paid) 122 — Brown and Jackson 18 + 5 DRG 197 + 7 GEC 192 + 4 Good Relations 248 - 2 Habit Precision 67 + 5 Metal Sciences 5 - 1 Midland Bank 378xd + 4 MatWeat Bank 833xd + 13 Parkfield Group 108 +11 Thom EMI 357xd +132 **ACTIVE STOCKS**

| | | | Lug. | I N | QY. | 1 8 | Feb. | | | |
|------------------|------------------|-----------|----------------|------------------|--------------|----------------|-------------------|-------------------|----|--|
| Se | ries | Vol. | Lest | Vol. | Lest | | Vol. Last Stock | | | |
| COLD C | 8300 | | 26,90 B | | - | - | - | \$326,80 | ł | |
| GOLD C | \$320 \$340 | 60 48 | 0.70 | 43 41 | 20.60 | 34 | 17 | ., | ı | |
| GOLD C | £360 | 70 | 0.70 | 29 | 4.60 |] == | 1 47 | | ſ | |
| GOLD P | 8500 | _ | - | 50 | 2,50 | 25 | 5,30 | | Ħ | |
| GOLD P | \$520 8340 | _ | _ | 122 | 18 | 10 | 10 A | 1 | ı. | |
| | 9010 | _ | . – | 1 45 | . 10 | . – | ' - | (Pe | • | |
| SILVER P | 3650ı | | Sept. | . De | | Man | | | П | |
| S/FL C | F1.510: | 155 | 8.10 | 5 | 11.90 | 10 | 60 | #629 F1.514.65 | 1 | |
| ₽/FL C | F1,315 | 22 | 5.70 | | J 1 | 11 | 19 | LTGT-100 | | |
| S/FL C | F1.320 F1.325 | 38 68 | 3.30 1.80 | 90 201 | 7.50 B | | 10 | | u | |
| S/FL C | FL 330 | 30 | 1.10 | 201 | 0.10 | = | ! = ! | , ,,, | H | |
| S/FL C | F1.355 | 7 | 0.50 B | | . <u></u> j | = | i | ** | Į١ | |
| &FL C | F1,340 | 10 | 0.20 | đĐ | 8.70 | | = | * | ŧ. | |
| SIFL C | F1.355 | 55 | 0.10 | ' - 1 | = | = | = | 7 2 | | |
| &FL C | F1.360 | 10 | 0.10 | i — | - | · — | | i " | 1 | |
| S/FL C | F1.365 FL375 | 76 | 0.10 | 500 | 0.50 | ! = | _ | ** | ł۱ | |
| S.FL.C | F1.880 | _ | 1 - | 140 | 0,20 | - | 1 = | » | 3) | |
| S/FL P | FI.310 | 57 | 4.80 | 30 | 9.90 | 11 | 14,20 | | B۱ | |
| 3/FL P | F1.315 | 28 27 | 6.30 9.30 | 68 | 15 | 7 | 20 A | - | ١١ | |
| S/FL P S/FL P | F1.325 | 254 | 12.70 | 1 = | = | _ | = - | 7, | ı | |
| SIDNIC | FI.835 DM285 | 100 | 0.70 | 50. | 26 | , – | ! — { | DM278.86 | K | |
| SIDM C | PM.805 | | 1 | 100 250 | 1.70 | = | i = 1 | | E١ | |
| SIDM C | PM.315 | 30 | 0.10 | | | _ | (- | יו | ٤t | |
| ŀ | | 0 | ct. | Ja | . | Ap | | ~ | ľ | |
| ABN C | FL580 | 64 | 6.90 | | 1.3.20 ! | | | F1,503 | H | |
| ABN P AEGN C | F1.480 F1.100 | 69 | 1 7 i | 33 | 10.50 | | : _ | _ | H | |
| AEGN P | FL95 | 252 94 | 2.40 | 107 | 5.40 4.50 | 29 | 7.20 | F1,96 | П | |
| AH C | F1.240 | 114 | 7.10 | 10 | 12 | 20 | 15.50 | FI,287,58 | Н | |
| AKZO C | FL230 | 21 | 3.50 | _ | _ } | | | - | П | |
| AKZO P | F1.120 | 171 | 2.70 | 339 . 73 | 5,30 | 8 <u>0</u> | 7.80 | FJ.132 | ۱۱ | |
| AMRO C | Fr en | | 2.40 | | 4.70 B | 7 ! | 5.60 | | H | |
| AMRO P | F1,85 | 68 125 | 2.40 | 46 83 | 4.70 | 4 | E On : | F1, 85,80 | Н | |
| GIST C | F1.200i | | 17.50 | | 20.90 | ; | 7,00 | F1,218 | П | |
| HEIN C | FL210 | 179 47 | 4.65 | <i>=</i> 1 | -= ! | - } | \ | _ 1 | H | |
| HEIN P | Fi.150 | 32 | 4.60 3.80 | 36 13 | 6.50 5.80 | - <u>-</u> | <u> </u> | FL149.20 | ľ | |
| HOOD A | 1 1.100 | 3Z | 3.80 l | 13 I | 5.80 l | 10 | 6 1 | | 17 | |

4,30 6,40 7,50 4 2,10 2,40 5,20 3,50

5,20 5,20 8,10 3 7,80

F1.73 F.46.30 F1.189.80

TO AL VOLUME IN CONTRACTS: 18,004

EUROPEAN OPTIONS EXCHANGE

aided by publicity given to a mildly bullish circular from brokers Hoars Govett, added a like amount at 565p.

Australian Golds also had a good day. Reports of foreign operators switching out of South African issues stimulated Sydney Trust rose 5 more for a two-day fump of 12 to 34p as takeover speculation intensified in the wake of Mr Robert Stephens' arrican issues spinulated Sydney and Melbourne markets which displayed useful gains. Central Norseman, 488p. and Gold Mines of Kalsoorile, 570p. rose 10 and 12 respectively, while Poseidon hardened a few pence to 220p. Junior diamond explorer Afrewest rose 14 to 114p following press mention. acquisition last week of a near-DRG, mooted as a likely take-DRG, moored as a likely take-over target for Bunzl, attracted a fresh bout of speculative interest and rose 7 more to 197p. Among advertising and associated counters, Addison Page hardened to 200p following Press com-ment

West rose 14 to 111p following press mention.

Activity in Traded Options remained disappointing. Total contracts struck amounted to 5,799—3,342 calls and 2,457 puts.

A lively two-way business developed in Grand Metropolitan, however, which attracted 328 calls and 400 puts, the latter evenly split between the January 300's and January 330's. Consolidated Gold Fields also met with steady support, reflecting the Publicity given to brokers' bullish views of market prospects gave a fresh boost to the Property sector and the leaders displayed useful gains. MEPC displayed useful gains. MEPC were outstanding, at 291p. up 10, while British Land continued to reflect a "chart buy" signal and put on 7 more to 158p. Land Securities moved up 5 to 298p and Haslemere Estates firmed 6 to 4880. Elsewhere, Daejan attracted fresh buying interest and advanced 30 to 460p, while Grosvenor Square Properties glaned 10 to 105p in reply to the satisfactory annual results. Tops Estates found support in a restricted market and rose 23 steady support, reflecting rally in Gold shares.

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (88) SREWERS (4): Scottish & Ne moson Wolvertungs.

Proceedings in Oils were dominated by Britoil. Consequently the oil majors suffered and Shell, which revealed disappointing second-quarter figures last week, drifted off to close 10 down at 675p, but Enterprise attracted scattered support and firmed 4 to 176p. Elsewhere, speculative counter Falcon ICI Spc Pref. STORES (3)
Hepworth (13
Hepworth (13
Liberty
Do. N.-V
Hebrish Oven Oven
185-01 Vanton Viyeli
ELECTRICALS (1)

Resources put on 7 to 75p, after 78p, while Bryson hardened a couple of pence to 70p following Surreson (Clarke)
NDESTRIALS (3)
Test Hawtel Whiting
Periciple Group
Reed Executive
Sutcline Speakmen South African mining markets INSURANCE (3) Trade inde

South African mining markets continued to rally. The spur was a much better performance by bullion, which traded up to \$328 before closing \$4.25 higher on balance at \$326 per oz, together with the Rand's encouraging showing against the dollar. The latter was sided by the possibility that Pretoria will reveal bullity that Pretoria will reveal bullity that Pretoria will reveal Substantial reforms in its LEISURE (3) Ulster TV N-V A PAPER (1) PROPERTY (12)

Benzer (C. H.) Mountseigh British Land Stooph Ers. Do. 12pc Cav. '02 Declar Gable House Prop. Grosvettor Sq. Praos. Trust of Property substantial reforms in its apartheid policy to placate the U.S. Congress which is pressing for economic sanctions against the Republic. Ocean Wilsons Total Kenniky

Communication Total Kenniky

Figure Communication (1) MINES (4) Oakbrigge Windsor R NEW LOWS (29)

FOREIGN BONDS (2) oc 1895 Chinase Soc 1912 CHEMICALS (1) ELECTRICALS (4)
IMPUTER PIRST Castle LEISURE (1) PAPER (2)
Oros & Little Peters (M.)
PROPERTY (1)

| September | Sept

RIGHTS OFFERS 90 NIII 165 F.P. 180 F.P. 25 MII 100 F.P. 186 100 210 F.P. 186 100 210 F.P. 186 NIII 120 F.P. 425 NIII 440 NIII 440 NIII 11/10 28/10 4/8 20/9 20/9 24/9 50/8 20/9

Renunciation data usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. g Assumed dividend and yield. u Forecast dividend cover based on previous year's samings. I Indicated dividend; cover relates to previous dividend, P/E ratio based on Islast smaller sermings. p Pence unless otherwise indicated. I issued by tender. I Offered holders of ordinary shares as a "rights." I samed by Way of capitalistion. SR Reintroduced. It issued by Way of capitalistion. SR Reintroduced. It issued in connection with reorganisation measure or tiesower. It Allotment letters or fully peld. If introduction.' I Unitated Securities Market. I Placing price. 11 Dealt in under Rule 535 (5).

| OPTIONS First Last Last For Deal Deal Declara Settle- | RISES AND FAI YESTERDAY |
|--|--|
| ings ings then ment Ang 5 Ang 18 Nov 7 Nov 18 Ang 19 Sept 6 Nov 21 Dec 2 Sept 9 Sept 20 Dec 5 Dec 16 For rate indications see end of Share Information Service Stocks favoured for the call included Eglintan Oil and Gas, Thorn EMI, Ashley Industrial Trust, S. R. Gent, Remishaw, British Land, Britoil, Pilkington, Sun Oil Royalties, STC and Mid- land Bank. No puts or doubles were reported. | Rises Rise |

LONDON TRADED OPTIONS

| | | r | CALLS | | | PUTS | | 1 | | | ALLS | | • | PUTS | |
|------------------------|---------------------------------|-----------------------------|---------------------|------------------------------|-----------------------|-----------------------|--------------------|---------------------------|----------------------------|--------------------------------------|--------------------------------------|-----------------------|--------------------------------------|-------------------------|--------------------------------------|
| Option | П | Oct | Jan. | Apr. | Oct | Jan, | Apr. | Optio | | Aug. | Nov. | Feb. | Aug. | Nov. | Feb. |
| B.P. (*558) | 460 500 550 | 88 50 15 | 68 38 | 77 | 10 26 | 18 | 25 40 | Lonrho (*156) | 140 160 180 | 17 2 1 | 9 3 | 15 6 | 11g 61g 85 | 10 27 | 11 28 |
| Cons. Gold (*442) | 600 | 1 60 | 70 | 1 80 | 70 | 178 | 1 15 | P. & O. (*890) | 350 360 390 | 50 30 5 | 63 40 16 | 68 45 23 | 227 | 1D 20 | 5 17 25 |
| (*44%) | 420 460 500 550 | 40 22 8 2 | 52 32 15 8 | 62 42 22 | 15 40 75 125 | 28 47 80 187 | 53 52 80 | Racal (*162) | 120 130 140 160 | 44 34 24 71 ₂ | 50 40 30 | 56 46 36 28 | 2 2 8 6 | 2 2 2 4 10 | 2 3 6 14 |
| Courtsuids (*130) | 120 130 140 180 | 18 10 5 3 | 22 14 8 4 | 25 18 | 5 13 30 | 8 15 30 | 111 | R.T.Z. (*564) | 500 560 600 | 70 28 3 | 82 58 27 | 100 65 57 | 10 40 | 7 20 47 | 12 25 52 |
| Com. Union (*218) | | 40 84 18 6 | 31 19 10 | 87 25 | 5 6 13 27 | 9 15 30 | 18 | Vasi Reefs (*\$63) | 80 90 100 | 181g 4 14 05 | 10 54 24 | 11½ 74 54 | 1012 1912 | 21 | 16 231 ₂ |
| G.E.C. (*190) | 160 | 1 34 | 40 26 | — 46 34 | 2 5 | 1 4 | 6 | Ex 10% 1999 (*£98) | 98 | 1 1/4 0 % | | 13 | | | 14. |
| Grand Met. | 200 220 | 2 40 1 | 1 50 | 34 22 - | 14 38 | 18 | 22 | Tr. 112% 95/67 (*£111) | 106 108 110 112 | 61g 3-6 1-3 0-6 | 5 (5) 2 (5) 2 (5) | 6 41 316 814 | 04 04 04 14 | 0.6 058 138 21 | 018 |
| (*313) | 300 330 | 25 | 35 18 | 38 30 | 80 80 | 20 | 15 27 | l <u></u> | | <u></u> | 7 | | Lie: | *** | 214 |
| J.C.L | 650 | 47 | 65 | 72 | 18 | 25 | , 30 | Opti | | Sept | Dec. | Mar. | Sept | Dec. | Mar. |
| (*666) | 700 750 800 | 16 6 2 | 35 15 7 | 45 | | 92 137 | 55 | BTR (*358) | 300 325 330 560 | 47 25 8 | 57. 38 20 | 62 38 | 5 8 23 | 6 17 | 15 25 |
| Land Sec. (*298) . | 280 300 330 | 26 101 ₂ 3 | 32 19 7 | 26 26 | 3 9 85 | 5 15 54 | 15 | Beecham (*333) | 300 330 360 | 35 18 5 | 48 27 15 | 48 37 22 | 4 15 52 | 30 16 35 | 10 22 38 |
| Marks & Sp. (*152) | 180 130 140 160 | 26 1612 5 | 29 21 6 | 51 94 121 ₀ | 1 2 5 12 | 3 6 14 | 9 17 | Bass (*562) | 550 550 600 | 20 20 8 | 80 33 18 | 90 47 26 | 4 18 44 | 26 50 | 12 30 52 |
| Shell Trans. (*675) | 650 700 780 | 142 17 7 | 55 30 12 | 70 45 | 器 | 18 40 83 | 25 46 | De Beers (*\$5,80) | 500 550 550 | 80 48 18 | 90 60 27 38 | 95 70 46 | 12 22 60 | 20 40 70 | 25 55 86 |
| Traffgar Hae (*868) | 1 800 | 24 | 48 | • | 1 30 | 6 | = | (*221) | 220 240 | 12 | 18 | 58 84 15 | 3 8 20 | 15 26 | 8 18 27 |
| (-000) | 383 | 3 | 27 | 53 | 22. | <u> </u> | 20 | | 1800 | | 126 | 225 145 | 20 | 13 36 | 27 45 |
| | 390 | <u>`</u> | 1 15 | 19 | | 34 | 57 | Hanson (*201) | 180 182 195 | 25 15 | 80 21 | 34 | 4 | 5 | .8 |
| Option | | Aug_ | Nov. | Feb. | AUS. | Nov. | Feb. | l | 200 216 | 5 | 10 | <u> </u> | 7 | 22 | 17 |
| BAT Inds. | 360 280 300 | 50 12 | 40 | 46 | | 412 | 90 | Jaguar (*258) | 240 250 280 300 | 25 14 71 4 | 56 35 16 | 43 32 21 | 6 11 24 43 | 10 17 26 44 | 12 22 29 |
| | 350 560 | 7, ² | 8 | 15 | 27 55 | 58 | 35 | Teaco (*263) | 236 240 256 | 50 20 | 57 25 | 43 | 9 7 | 6 | 19 |
| Berolays (*879) | 355 366 386 390 490 | 7 | 57 20 | 52 32 17 | 10 | 27 - | 13 295, | E/\$ (* 157.98cts) | 120 125 130 | 18.30 1 13.30 1 8.50 1 | 18,30 1 14,00 1 10,00 1 | 14,60] 11,20 | 0.15 0.25 0.70 | 1.20 2.00 3.10 | 2.80 3.70 5.40 |
| Brit. Aero (*548) | 300 330 360 | 50 | 58 38 32 | 65 46 28 | 2 5 17 | 5 18 25 | · 8 15 27 | | 136 140 146 | 4.30 1.80 0.65 | 7.00 4.70 8.00 | 8.40 6.20 4.50 | 1.70 4.30 8.20 1 | 5,50 8,10 11,50 J | 7,30 10,00 18,20 |
| Bt. Telecom (*192) | 150 140 150 160 | 63 53 43 33 | = | 45 | 014 014 014 | = | = | S/DM . (*85.76 cts) | 32 33 34 35 36 | 3,85 2,90 1,95 1,15 0,50 | 4.25 3.35 2.68 1.95 1.40 | 3.75 3.15 2.56 | 0.15 0.15 0.25 0.30 0.90 | | 0,35 0,60 0,90 1,85 1,70 |
| Į | 170 | | 21. [| 25 | 04 | 8 | 10 | Option | Avo | Sap | 000 | <u></u> | | 7 | \equiv |

FT-ACTUARIES SHARE INDICES

the Institute of Actuaries and the Faculty of Actuaries

| EQUITY GROUPS & SUB-SECTIONS | | | | | Mon Aug 12 1985 | | | | | | | | Times Ang 8 | West Ass 7 | Year age (approx.) |
|---|----------------------------------|------------|---------------|---------------------------------|-----------------|------------------------|-------------------------------|-------------------------|--|---|----------------------------|--------------------|-------------------|------------------|--------------------------|
| Figures in parentheses show number of stocks per section | | | | | dex 10. | Day's Change | Est Earni Yield (Man | 7 | Gross Dis. Vield% (ACT at 30%) | Est. P/E Ratio (Net) | ni adj. 1985 to date | ladex No. | ladex No. | Index He. | index Ma. |
| 1 | | | | | | +6.9 | 10.9 | | 4.29 | 11.51 | 10.52 | | | 514.22 | 505.96 |
| 2 3 | Building Materials (22) | | | 53 | 0.81 3.19 | +0.6 | 125 | | 4.99 | 9.83 | | 527.87 | | | 462.11 |
| 4 | 4 Electricals (14) | | | | 3.17 19.28 | +0.1 | 1111 | | 5.08 5.47 | 10.54 10.70 | 17.54 33.14 | \$07.57 1347.38 | | | 672.58 1511.95 |
| 5 | Electronics (38) | | | | 2.58 | | 19.4 | | 3.10 | 12.62 | | 1434.93 | | 1451.47 | 1839.68 |
| 8 | | | | | 0.31 8.40 | +0.3 | 11.6 | | 5.03 | 18,47 | 615 | | | | 248.00 |
| 9 | 9 Mators (16) | | | | 7.20 | +1.3 | 141 | | 7.84 5.42 | 10.06 8.76 | 4.13 3.55 | 199.73 155.21 | 197.03 156.07 | 189.65 154.66 | 184.71 118.84 |
| 10 | | | | | 9.55 | +1.5 | 7.6 | 57 | 3,68 | 15.77 | 15.81 | 895.80 | 894.93 | | 665.18 |
| 21 22 | Brewers and Distillers (24) | | | | 8.39 4.27 | +0.4 | 9.5 | | 3.91 4.59 | 13.03 11.36 | 12.36 | | | | 516.22 |
| 25 | Food Manufacturing (21) | | | 48 | 391 | +0.5 | 12.5 | | 4.98 | 10.49 | 13.81 13.89 | 632.57 486.60 | 628.34 488.01 | 626.17 487.88 | 516.89 391.43 |
| 25 | b Food Retailing (14) | | | [159 | 7.39 | +0.7 | 5.7 | Š | 261 | 23.13 | 16.93 | 1585.68 | 1607.78 | 159L98 | 1195.44 |
| 27 29 | 9 Leisare (22) | | | | 4.93 7.69 | +0.2 | 62 | | 2.76 · 5.07 | 18.70 15.03 | | 1072.94 | | 1066.49 | 869.33 |
| 32 | 32 Newspapers, Publishing (12) | | | | 8.79 | _ | 8.6 | | 4.38 | 14.82 | 28.79 37.91 | 641.65 1770.83 | 629.90 1770.96 | | 589.11 1283.46 |
| 33 | 33 Packaging and Paper (14) | | | | 2.42 | +10 | 2.8 | | 4.20 | 12.09 | 6.20 | 349.07 | 349.33 | 345.53 | 241.86 |
| 35 | Textiles (16) | | | | 9.07 7.29 | +0.3 | 7.5 | | 3.17 5.18 | 1811 823 | 9.53 7.57 | 666.75 315.56 | | 665.71 | 443.77 |
| 36 | 36 Tobaccos (3) | | | | 7.93 | -8.2 | 17.9 | | 5,32 | 6.26 | 18.71 | 809.66 | 314.58 814.10 | 313.48 811.05 | 264.05 690.28 |
| 41 42 | | | | | 2.82 0.50 | -0.4 -1.4 | 9.5 14.6 | | 4.21 5.64 | 13.62 | 14.13 | 675.38 | 677.AL | 679.43 | 454.26 |
| 44 | Office Egyloment (4) | | | 19 | 8.62 | -65 | 8.0 | | 443 | 9.83 14.83 | 24.95 3.64 | 679.76 198.74 | 679.62 199.65 | 685.13 199.05 | 599.58 133.25 |
| 45 | Shipping and Transport (12) | | | | 7.93 | -0.1 | 8.4 | 6 | 4.53 | 14.67 | SA | 1169.07 | 116268 | 1148.94 | 858.66 |
| 46 48 | | | | 81 | 7.47 3.39 | -0.5 +0.1 | 7.8 | | 3.89 3.72 | 15.61 15.60 | 14.06 | 821.60 | 824.17 | 827.23 | 634,44 |
| 49 | | | | | 727 | +03 | 1 94 | - | 4.88 | 12.77 | 14.38 12.50 | 872.66 635.36 | 877.87 636.36 | 877.87 635.32 | 9.8 |
| 51 | 51 Oik (17) | | | | 1.17 | -11 | 16.5 | _ | 7.42 | 7.44 | | 1143.58 | | 1148.57 | 508,92 1043,48 |
| 59 | | | | | 1.77 | +0.1 | 10.7 | 4 | 4.52 | 11.67 | 14.68 | 678.83 | 678.14 | 678.38 | 553.46 |
| | 61 FINANCIAL EROUP (115) | | | | 5.28 9.60 | +0.1 | | Ţ | 5.02 | 1 | 12.39 | 475.92 | 474.78 | 472.51 | 382.14 |
| 65 | 5 Insurance (Life) (9) | | | 74 | 241 | +0.5 | 19.0 | וייי | 6.30 4.37 | 7.49 | 19.80 | 473.98 739.20 | 475.51 735.84 | 473.87 730.69 | 360.22 522.58 |
| 66 | Insurance (Composite) (7) | | | 370 | LZ7 | - | 1 = | _ { | 5.19 | | 8.53 | 376.28 | 369.65 | 366.15 | 272.21 |
| 67 68 | Insurance (Brokers) (7) | | | 109 221 | 2.70 5.23 | +0.3 | 85 | 7 | 3.79 4.92 | 15.56 | 21.02 4.92 | 10%.08 225.53 | 1099.56 | | 810.51 |
| .69 | 9 Property (50) | | | 1 647 | 9.14 | +13 | 5.7 | | 3.66 | 23.45 | 9.88 | 640.88 | 225.87 642.47 | 226.61 639.59 | 204.95 591.82 |
| 쯧 | 70 Other Financial (25) | | | 26 | 486 | -22 | 9.2 | 힉 | 6.09 | 1521 | 8.14 | 268.10 | 267.91 | 267.50 | 2518 |
| 81 | | | | | 1.85 1.82 | +1.9 | 126 | اء | 3.81 5.99 | 9.14 | 10.05 5.36 | 580.75 250.92 | 579.54 253.41 | 574.87 | 31.27 |
| 91 | | | | | .47 | | 125 | | 6.55 | 9.59 | 23.86 | 603.68 | 607.26 | 248.48 696.84 | 278.71. 957.76 |
| 99 ALL-SHARE INDEX (738) | | | | 62 | 1.93 | +0.1 | ᆂ | \perp | 4.60 | ł | 13.61 | 620.18 | 620.07 | 619.38 | 510.30 |
| 1 | | | | | lex lo. | Day's Chang | | | Day's | Apg 7 | Aug | Aug | Aug | Аид | Year |
| FT-SE 100 SHARE INDEX | | | | <u>12</u> 2 | ï | +1.8 | 1288 | 1 | 281.0 | 1286.3 | 1284.0 | 1286.6 | 1287 5 | 3 1771 8 | 390 1884 1 |
| FT-SE 100 SHARE INDEX | | | | | | | | | | | | | | 1001,1 | |
| | FIX | | | AVERAGE GROSS REDEMPTION YIELDS | | | | | Asp 12 | Aug 9 | (abbutar) gan Astar | | | | |
| | PRICE | Mon | Day's | FH | × | adl. | a 44 | | Britis | h Geren | | T | | | |
| | Indices | Ass, 12 | change | Aug | * | | 1985 | 1 2 | | s 2 | YEAR | | 10.03 10.12 | 10.69 | 11.16 |
| _ | | 12 | * | 9 | 4 | !! | a date | 3 | | ~ ~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~ | , | | 16.12 | 10.28 | 18.72 18.23 |
| 1_ | Milish Government | · |) | <u> </u> | 1 | - 1 | | 4 | Medium | m . | years | | 20.81 | 18.91 | 11.79 |
| ι | 5 years | 119.38 | | 119.13 | | - (| 6.84 | 6 | Coupon | | years | | 19.48 19.05 | 10.56 | 11.09 |
| 2 | 5-15 years | 133.16 | 1 | 132,42 | | - | 143 | 7 | High | - 1 | years | | 19.88 | 18.16 | 19.46 11.80 |
| 3 | Over 15 years | 148.01 | +0.56 | 139.22 | - | - | 7.12 (| 8 | Соцероя | | years | | 10.63 | 10.70 | 11.29 |
| 4 | irredeemables | 152.51 | +0.62 | 151.57 | - | - 1 | 7.27 | 9 10 | Irredet | | years | ~~~ | 10.20 | 19.25 | 16.53 |
| 5 | All stocks | 131.13 | +0.44 | 13055 | <u> </u> | - 1 | 7.75 | - ii | | | 5 years | 7 | 9.94 | 10.01 | 18.08 |
| -6 | Debentures & Logis | 112.47 | +0.57 | 112.67 | 1 | .84 | 6.91 | | Loans | | 15 years | | 11.58 11.42 | 11.59 | 12.62 12.47 |
| - | - | | μ— | | | | <u> 13</u> | 25 years. Preference | | | 1125 | 11.27 | 12.46 | | |
| 71. | Preference | 79.62 | +0.03 | | | _ | 4.68 | | | | | <u>†</u> | 12.32 | 1225 | 1321 |
| _ | | | | _ | - | na rriči () | | | | KED STO | | | | | |
| 8 | All stocks | 110.94 | 1 0. | .05 | 2.00 | 15 16 | Inflation | rate | 5%. 10% | | 3.60 | 343 | 3.80 | | |
| established Make and lone around have dated without and constituent channels are multiched in Saturate toward. A lone for a fact of the saturate toward in Saturate toward. | | | | | | | | | | | 3.62 | | | | |

WORLD STOCK MARKETS

| BELGIUM/LUXEMBOURG Fin. 20.5 4.5 50.5 4.5 50.5 | Tor Um Bik \$23% 23% 23% 25% -16 Torstar B ! \$27% 27% 27% -16 Torstar B ! \$27% 27% 27% -16 Trans Mt \$376 34, 9% -16 Trans Mt \$376 34, 9% -16 Trans Mt \$258, 25% 25% -16 Trans Mt \$258, 25% 25% -16 Trans Mt \$139 35 410 +15 Tribon A \$22% 22 22 Tratbo 41 40 41 Unicop A ! 38 9 9 -16 | | | | | | | |
|---|--|--|--|--|--|--|--|--|
| AEC Tails Cossest. Gold Gold Cossest. Gold | Tor Um Bik \$23% 23% 23% 25% -1% Torster B ! \$27% 27% 27% 27% -1% Yrader A ! \$21% 21% 21% +1% Time Mt \$37% 38% 99% -1% Trime Mt \$25% 25% 25% -1% Trican PL \$25% 25% 25% 25% -1% Trican PL \$25% 25% 25% 25% 400 +15 Tribon A \$22% 22 22 Tlatbo 41 40 41 Unicop A ! 38 9 9 -1% In Carbid \$13 13 13 -1% | | | | | | | |
| Second S | Tor Dm Bis \$2394 2315 2515 -16 Torstar B 1 \$2714 2715 2715 -16 Torstar B 1 \$2714 2715 2715 -16 Trans Mt \$375 314 976 -15 Trinnity Res 380 380 380 380 -5 Trankt UA \$2574 2515 255 -16 Trinnac 410 385 410 +15 Trinnac 410 385 410 +15 Trinna 410 385 410 41 Unicorp A 1 58 9 9 -16 | | | | | | | |
| BELGIUM/LUXEMBOURG Rowm Boveri. 235.5 + 0.5 Rowmersbank. 205.5 + 0.5 | Unicorp A f \$9 9 9 -1 ₈ | | | | | | | |
| Aug. 12 Price + or Control Control 149.8 -1.1 149.8 | Unicorp A 38 9 8 - 1 ₈ | | | | | | | |
| Bettagert B | Unicorp A 38 9 8 - 1 ₈ | | | | | | | |
| Betaert B. | () Entoring 5191. 19 121 . " | | | | | | | |
| EBES | U Keno \$9 84 9 +1 | | | | | | | |
| GB1 (Bruch) | Vessgron S6's 6 6 6 Wessmin S13's 13's 13's 13's 14's Wesson S88's 88's 88's 14's Wesson S88's 88's 88's 14's Woodwd A S18's 18's 18's Yk Bear S6's 6's 18's Total sales 8,814,992 shares | | | | | | | |
| Intercom 1010 1000 1000 1000 1000 1000 1000 10 | Yh Bear 56% 67 65 + 1g Total sales 6,814,992 shares | | | | | | | |
| Hoboken 5,590 -20 Intercorm 2,180 -15 Intercorm 2,180 Intercor | | | | | | | | |
| Royale Beige | MONTREAL Closing prices August 7 | | | | | | | |
| Soc. Gen. 12,250 Soc. Gen. 25,55 Soc. Gen. 25, | Bamk Mont 5301 ₈ 30 301 ₈ +1 ₈ BembrdrA 5211 ₄ 21 211 ₄ +1 ₈ BembrdrB 5143 ₈ 143 ₈ 143 ₄ +1 ₄ CB Pak 5211 ₄ 21 211 ₄ +1 ₈ | | | | | | | |
| Solvay 1780 | Benk Mont 5301a 30 301a + 1a Benk Mont 5301a 30 301a + 1a Benkrith 511a 511a + 1a 511a 511a + 1a 511a 511a + 1a 511a 511a + 1a 511a 51 | | | | | | | |
| Solution | DomTxIA \$12 1174 12 Gaz Metro \$1175 1174 1174 MmTrar \$1575 1575 1575 - 18 NatBk Cda \$2175 2074 21 | | | | | | | |
| Aug. 12 Price + or State Price Fig. | DomitiA 512 114 12 Gaz Metro 5115 1115 1115 115 115 115 115 115 115 | | | | | | | |
| Danske Bank SAR G | Total Sales 2,053,378 strares | | | | | | | |
| Forenede Brygg. 945 Sven Handleson 174 Sven Han | Indices | | | | | | | |
| Tysics Bank 780 -5 Centrale 5,320 -50 SWITZERLAND SWIT | August 1985 7 High Law | | | | | | | |
| Smidth (FL) B.: 252 -21 Generali Assicur. 55,500 90 Adia Intl. 3,495 +15 Sophus Berend. 1,115 | 831.8 949.7 (12/8) 715.3 (7/1) 535.9 583.8 (20/5) 382.5 (7/1) | | | | | | | |
| FRANCE G.455 - 25 Brown Boveri 1,670; Aug. 12 Price + or Yes Co. 5,801 - 146 Cha Gelgy - 15,70; -10 Price Co. 5,801 - 146 Cha Gelgy - 15,70; -10 Price Co. 5,801 - 146 Cha Gelgy - 15,70; -10 Price Co. 5,801 - 146 Cha Gelgy - 15,70; -10 Price Co. 5,801 - 146 Cha Gelgy - 15,70; -10 Price Co. 5,801 - 146 Cha Gelgy - 15,70; -10 Price Co. 5,801 - 146 Cha Gelgy - 15,70; -10 Price Co. 5,801 - 146 Cha Gelgy - 15,70; -10 Price Co. 5,801 - 146 Cha Gelgy - 15,70; -10 Price Co. 5,801 - 146 Cha Gelgy - 15,70; -10 Price Co. 5,801 - 146 Cha Gelgy - 15,70; -10 Price Co. Characteristics Co. Characteristics Co. Characteristics Co. Characteristics | 95.42 195.73 (17/5) 85.21 (24/1) | | | | | | | |
| Frs. or Toro Aref. 17,190 -500 Hoff-Roche Police 450 Amade 180 | 2303.13 2327.23 (29/7) 2090.7 (18/1) | | | | | | | |
| Control 1/3 13/3 13/3 13/3 13/3 13/3 13/3 13/3 | 218.21 217.88 (8/8) 158.44 (8/1) | | | | | | | |
| BSN Gervais | 215.5 233.1 (31/5) 188.9 (3/1) | | | | | | | |
| CIA RADANIPA ARE 1 1 TOTAL V TOTAL AND TOTAL REPORT ARE | 123.0 130.4 (31/5) 100.1 (3/1) 474.75 502.62 (5/7) 382.39 (3/1) | | | | | | | |
| Damert 1,880 + 20 AMRO 85.8 -2.7 Swiss Bank 40 450 Full Film 500 -80 OUB 85.8 -2.7 Swiss Reinsce 12,750 Full Save 950 + 10 Public Bank 138 -0.66 Full Save 950 Full Save 9 | 1387.6 1488.2 (5/7) 1111.8 (3/1) | | | | | | | |
| Gen Operidantala 735 Figurian Myll 198 8 -0 2 Hitaph 735 -3 UGB 370 +0 88 | 1898.86 1899.43 (12/6)1220.74 (2/1) | | | | | | | |
| Media | 385.81 385.61 (7/8) 228.56 (2/1) | | | | | | | |
| Michelin B | 12421.15 13040.10 (8/7) 11545.2 (5/1) 1005.30 1055.91 (9/7) 918.03 (4/1) | | | | | | | |
| Moct-Hennessy 1,828 +3 Ned Mid Sank 213.5; +1 Ashton 1.17 +0.85 JA | 217.0 220.5 (8/7) 185.6 (3/1) 187.1 188.4 (12/8) 147.9 (3/1) | | | | | | | |
| Petroles Fra | 341,54 348.95 (5/8) 288.18 (2/1) | | | | | | | |
| Printempts Au. 382 +3 Rodamoo 138.4 Boral | 757.80 852.85 (7/3) 717.95 (15/7) 858.0 1140.8 (15/4) 838.1 (11/2) | | | | | | | |
| eftings 360 + 2 United and 360 + 2 United and 360 + 2 United and 360 + 3 United and 360 + | 822.5 1036.8 (17/7) 787,1 (7/3) | | | | | | | |
| **Bellmag Elact | 118.39 117.41 (4/2) 101.48-(2/1) 1365.45 1488.98 (11/2) 1285.32 (9/7) | | | | | | | |
| individual exchanges and are last traded prices. \$ Deslings Desl | 453.2 489.1 (8/7) 388.7 (3/1) | | | | | | | |
| | 216.2 224.3 (17/7) 184.6 (4/1) | | | | | | | |
| OVER-THE-COUNTER Nasdag national market, 2.30pm prices Market 1860 | - 500 MYSE All Common - 50 Standard and | | | | | | | |
| * Indicates pro-class figure parts c Closed to Unavailable | gles 40 Utilities Financials and 20 Trans- | | | | | | | |
| (Handes) Obrades | | | | | | | | |
| 962 554 334 344 - 14 Rollin | | | | | | | | |
| | 1777 | | | | | | | |
| Neerald 40 57 215 21 2172 + 12 Richels 2 263 205 205 + 1 Stable 301 155 155 155 155 155 155 155 155 155 1 | NEC | | | | | | | |
| PACS 104 285 294 285 - 14 Robbins 100 125 12 124 Sheiger 42 45 452 412 - 1 Robbins 100 125 12 124 Sheiger 42 45 452 412 - 1 Robbins 150 125 12 124 Sheiger 42 45 452 412 - 1 Robbins 150 125 125 125 125 125 125 125 125 125 125 | | | | | | | | |
| Ashley Ind Trust. 34 + 5 Rooms 55 156 225 22 22 100 + 1 Stands 77 154 171 1712 1712 1712 1712 1712 1712 1712 | | | | | | | | |
| Description of the property of | | | | | | | | |
| NGS 104 285 284 284 285 - 14 Richlug .06 36 125 124 124 - 1 Richlug .06 36 125 125 124 12 124 - 1 Richlug .06 36 125 125 124 12 124 - 1 Richlug .06 36 125 125 124 12 124 - 1 Richlug .06 36 125 125 124 12 124 124 125 125 125 125 125 125 125 125 125 125 | ELS | | | | | | | |
| Painth 167 74 72 74 1 SAYInd 69 131 131 131 131 131 131 131 131 131 13 | ELS | | | | | | | |

HOTEL GRAVENBRUCH Neu-Isenburg, Gravenbruch

ATLANTIC HOTEL

Hamburg, An der Alster

HOTEL VIER JAHRESZEITEN

München, Maximilianstraße 17

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FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Institutions head for sidelines

A TRADING week which will feature the latest federal statistics on the prog-ress of the U.S. economy made a dull start on Wall Street yesterday, writes Terry Byland in New York.

Light trading saw the stock market renew its downward slide early in the session. However, the broader market held steady and blue chips rallied from early

The major investment institutions kept out of the equity market, leaving prices vulnerable to weakness in the credit sector, and nervousness regarding the Commerce Department's latest data on retail sales, due today, and on indus-trial production, due on Thursday. Selling pressure was moderate, but the major stock market indices were de-

pressed by a renewed setback in Union Carbide after an escape of toxic fumes at a company plant in West Virginia. There was hefty profit-taking in some airline stocks. The technology sector steadied at mid-session, however. By 2pm the Dow Jones industrial av-

erage was down 3.36 at 1,317.43. Union Carbide fell \$1% to \$48% on per-

sistent selling on reports from the toxic escape at the Charleston plant. Most of the fall in the stock came early in the day. Several predators, including the Bass Brothers, are known to be interested in Union Carbide stock, and selling

NEW YORK

FT Ord

FT-SE 100

FT-A 500

Tokyo SE

All Ord.

AUSTRIA

BET OF IN

CAMADA

Portfolio

DENMARK

FRANCE

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ind. Tendance

WEST GERMANY

FAZ-Aktien

HONG KONG

ITALY

Hang Seng

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NETHERLANDS ANP-CBS Ger

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SMOAPORE

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Madrid SE

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Capital Int?

SWEDEN

WORLD

Zürich

Paris (fixing)

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New York (Oct)

Straits Times

SOUTH AFRICA

Matals & Mins

Credit Aktie

Belgian SE

Toronto Matais & Minis

TOKYO

FT-A All-share

FT Gold mines

FT-A Long gilt

Aug 12

676.15°

154.80*

1.288.1

620.93

678,77

547.8

2319.11 2311.24

2.077.9* 2.087.0

124.1

47B.30

1,407.1 1,413.1

1,699,43 1,576.51

340.94 340.57

110.16 110.01

Aug 9

216.5

GOLD (per ounce)

1,346.42 1,367,10 1,530,21

Prev

217.2

Aug 12 \$326,00

\$326,75

S326.75

\$326.46 \$322.16

\$330.70 \$336.30

S&P Composite 187 72° 188 32

1,317.43* 1,320.79 1,218.09

1.286.3

620.02

677.8

337.2

12,372,88 12,401,19 10,375,9

999.13 1,001,25 801,66

539,1

95,58

136.42 116.42

n/a 214,37 195,4

217.5

124.4

480.22

215.1

188.6

757.99

902.A

362.56 213.0

164.2 130.3

98.27

375.2

Yearacc

181.5

Prev \$321.75

\$321.70

\$323.20

10.25

679.89

155.06

remained well short of panic propor-

Other chemical issues slipped lower in line with the rest of the market and were little affected by Union Carbide's misfortunes. Most of the industrial blue chips suffered small losses. While most observers continue to forecast an economic unturn in the second half of the year, worries over sluggish corporate profits have now been extended into the third quarter, which is now half over. This week's economic data is likely to confirm that the upturn is still slow in showing itself.

IBM, quickly rallying from initial weakness, shed \$% to \$127% in light trading, setting the pattern for the rest of the technology sector. Digital Equip-ment lost \$\% to \$102\%, Control Data \$\% to \$25\%, Honeywell \$\% to \$64 and Sperry

Motor stocks, unsettled by last week's disclosure of lacklustre sales progress, gave ground again with General Motors shedding \$% to \$68% and Chrysler \$% to

Pan Am stock continued to trade heavily, easing \$% to \$7%. The stock is favoured both on recovery and takeover prospects. United dipped \$% to \$55%, Delta \$% to \$49% and American \$1 to \$48%, but selling was light in all three cases. Eastern, strong recently as recovery hopes rise, held steady at \$11%, just

below the 52-week high.

Retail stocks looked sluggish ahead of today's U.S. retail sales statistics, which were pre-empted last week when the major stores disclosed sluggish figures for July. The firm spot was Woolworth, \$% up at \$44% after the board said the second-quarter results would show a "solid increase".

The takeover scene found a new star, as United Energy Resources jumped \$3% to \$39%, with around 4bn shares

1350

1000

900

1.3585

11.7475

3.175

2,574.5

11%s 4% 4% 12%

8% 7% 7.70 7.15

Yleid

4.32

77.7

1.845

STERLING

Aug 12 Previous

11.82

3.185

2,598.0

1,8809

4'%

7.65*

Price

99³⁵37 8.90 100³⁵52 10.21

1002% 10,362

100% 10.60

Price Yield

101% 10.20

81% 8.60

98% 11.00

97% 11.05

4.35

79.2

KEY MARKET MONITORS

1984

CS

Year ago

519.54

128,37

165.42

1,095.7

510.30

553.66

543.6

473.2

87.3

10,49

1985

Aug 12

237.2

8.5525

3.146

56.55

1.3585

6-month U.S.S

99²⁸52

1007%

1002 10.357

Aug 12

100%

83%

99%

11.80 Feb 2013 101.632 11.60 102.00 11.55

12% Dec 2012 100.746 12.15 101% 12.10

FINANCIAL FUTURES

Latest High

8.925

10.21

10.61

Yield 10,23

8.15

11.05

10.80

92.70 11.50 93.00 11.45

76-07 76-25 76-01 76-13

92.85 92.92 92.82 92.86

92.25 92.34 92.24 92.25

91.98 92.03 91.97 91.91

112-13 112-25 112-10 112-05

Aug 12 454.50p

S27.35

£1,021.00 £1,043.50

£1,644.00 £1,743.50

452,050

527.30

COMMODITIES

(3-month offered rate)

offered rate)

874 1987

10%

11%

10%

Corporate

U.S.3-morsth CDe U.S.3-morsth T-bills

1992

1995

2015

10% June 1990

3% July 1990

8% May 2000

10% March 1993

10% May 2013

Abbot Lab

CHICAGO

U.S. Treasury Bonds (CST)

U.S. Treasury Bills (IMM) \$1m points of 100%

\$1m points of 100%

\$1m points of 100%

20-year Notional Gitt

£50,000 32nds of 100%

Silver (spot fixing)

Olf (spot Arabian Light)

Copper (cash)

Coffee (Sept)

Sept

Sept

Sept

LONDON

Certificates of Deposit (IMM)

nond Shamrock 10% May 1983

Federated Dept Stores

U.S. DOLLAR

2.8315

238.55

8.6625

3.1835

1.897,0

57*2*5

1.3585

INTEREST RATES

Standard & Poors 500

traded as MidCon Corporation bid \$1.15bm in a deal aimed to create the largest natural gas pipeline networks in the U.S. At \$43, MidCon was \$1 down.

Its decision to buy out the half share in Warner Amex Cable Communications left Warner Communications \$\% off at \$29%, while American Express, the erstwhile partner, held steady at \$43%.

But the excitement in TWA died down, with the stock unchanged at \$22% as the market assessed the increased bid of \$26 a share from Texas Air. There was little sign of activity by Mr Carl Icahn, who holds 46 per cent of TWA and said on Friday he might increase that stake.

The absence of market activity sug-gested that Mr Icahn might be negotiating with Texas Air to resolve the stalemate. Mr Icahn is prohibited under SEC ruling from taking profits on his TWA stake by voting in favour of the Texas Air terms.

In the entertainment sector MGM-UA stock eased \$% to \$24 in brisk turnover, still well short of the \$29 a share offer from Mr Ted Turner. CBS, in limbo now that Mr Turner has backed off, eased \$1/4

to \$105% in light trading.
G. D. Searle, at \$64%, remained unchanged after Monsanto confirmed that it had received tenders for the 60 per cent of the Searle stock sought at \$65 a

piece - the offer expires on Friday.

In the credit market, the prospects of a stuggish economy, which would keep interest rates down was counter-balanced by the weight of federal paper now hanging over the market Federal funds edged up to 7% per cent, and bond prices eased as traders faced the task of passing on the \$21.75bn issued last week by the U.S. Treasury.

TOKYO

Full steam ahead into difficulties

INVESTORS in Tokyo were unnerved by the prospect that the financially troubled Sanko Steamship might go bank-rupt, writes Shigeo Nishiwaki of Jiji

The Nikkei-Dow market average declined 27.55 to 12,373.64. Trading was extremely thin at 205m shares compared with Friday's 265m. Declines outnumbered advances by 434 to 321 with 151 issues unchanged.

The peak summer holiday week took its toll on the line-up of institutional investors and corporate fund managers. Also overshadowing the market was the suspension of trading in Sanko Steam-ship by the Tokyo Stock Exchange in

the afternoon session. Sanko came under early heavy selling pressure, with sell orders totalling 56.54m shares against buy orders for 31.3m. As a result, it fetch price of Y27, down Y15 from last week's

On the other hand, incentive-backed issues attracted small-lot buying. Kanebo rose to a new high for the year of Y503 at one stage, but later came under profit-taking pressure to finish Y10 higher at Y493. The issue topped the active list with 13.93m shares changing hands. Some large-capital stocks were hunted. Nippon Steel, the second most active

issue with 9.39m shares, added Y4 to Y171. Mitsubishi Heavy Industries finished Y13 higher at Y332. Major contractors were also in the spotlight. Sato Kogyo, the third busiest stock with 9.22m shares, rose Y6 to Y471.

Ohbayashi Corporation, the fifth bus-iest, gained Y7 to Y395, while Kajima advanced Y18 to Y450. Taisei Corporation, also active, ended at Y338, up Y11. Small lot selling sent many blue chips lower. NEC shed Y14 to Y941 and Sony Y80 to Y3,670. Among biotechnology is-

sues, Kuraray gained Y40 to Y1,300,

while Dainippon Pharmaceutical dropped Y20 to Y3,280. On the bond market, trading was dull but prices firmed in response to rises in U.S. bond prices at the weekend. The reported forecast of Salomon Bros' chief economist, Henry Kaufman, of slackening U.S. economic growth prompted ex-pectations for lower U.S. interest rates

among institutional investors. The yield on 6.8 per cent government bonds, maturing in December 1994, fell to 6.310 per cent from Friday's 6.330 per

SOUTH AFRICA

STRONGER bullion prices lifted gold shares in Johannesburg, although most closed below their peaks for the day.

Heavyweight Buffels closed R3.50 up at R69.50 after reaching a high of R70, while among the lower priced stocks, Blyvoor finished R1 higher at R12.75, down 25 cents from the day's peak.

Mining financials and other mining stocks shadowed golds with Gencor adding 75 cents to R28.75, Impala 85 cents to R18.10 and diamond stocks De Beers 25 cents to R11.

CANADA

A MILD decline developed in Toronto during relatively thin trading, although gold stocks continued to move against the trend and posted modest improve-

Terra Mines traded 53 cents higher at C\$3.40 after reporting a gold find in the northwest territories. Other active stocks included Inco CS% lower at C\$19%

and Breakwater off CS% at CS8%. Montreal lost ground in light turnEUROPE

Hesitation disappears in Brussels

THE CAUTION that was evident on the Belgian stock market last week disappeared yesterday to provide one of the few features in largely steady European trading that continues under the shadow of a protracted holiday season.

Foreign demand helped underpin Brussels as local buyers were active ahead of the forthcoming holiday week-end. The Brussels Stock Exchange index added 7.87 to 2,319.11.

Wire maker Bekaert scored a BFr 80 jump to BFr 5,480 while photographic group Gevaert made further progress with a BFr 50 rally to BFr 3,900. Industrial leader Petrofina extended the advance of last week with a gain of FFr 20 to BFr 5,780 although recently favoured zinc producer Vicille Montagne held steady at BFr 7.040.

Cement group CBR put on BFr 130 to BFr 2,440 in a largely technical reaction from recent weakness. Cobepa, which has reportedly bought the Pierre Balmain line of fragrances from the U.S. Revion group, held steady at BFr 3,650 after Friday's BFr 205 jump.

Retailer Delhaize recovered some re-cent losses with a BFr 150 sprint to BFr 7,950 in active trading as strong U.S. and European support emerged.

Further weakness among utilities took BFr 15 off Intercom at BFr 2,180 and Ebes lost BFr 5 to BFr 2.870. Other features of the session included GB-Inno-BM, which announced a re-structuring of its stores last week, fin-ishing steady at BFr 3,630 after an early

loss of BFr 20. Tourism stock Wagons Lits picked up BFr 30 to BFr 3,030.

Frankfurt managed to finish mixed after a weak opening. The Commerzbank index, calculated at mid-session, reflected the early unease and retreated 5.9

points to 1,407.1.

Investors were somewhat unsettled by the decline of the dollar and a measure of uncertainty over domestic interest rates. The Bundesbank was expected to cut the key discount and Lombard rates at Thursday's central bank council meeting by up to % percentage point, but now the timing and size of a cut are no longer clear. Since the market has already discounted the cuts, share prices are likely to retreat further should the central bank fail to trim the rates.

The uncertainty over interest rates inhibited the bond market with prices slipping by up to 15 basis points. The Bun-desbank bought DM 20.2m in paper to balance the market after Friday's purchases of DM 23.1m. Banks were again under the cloud of

South American debt fears - real or imagined - while interest rate trends further softened prices. Commerzbank suffered a DM 4 drop

to DM 208.50 while Deutsche Bank slipped DM 2.50 to DM 546.50. Dresdner Bank dipped DM 2 to DM 265.50.

Profit-taking reared its head in the car sector which made steady progress last week. BMW suffered a bruising DM 6 fall to DM 437.50 while Porsche retreated DM 3 to DM 1,302.

Daimler moved against the trend with a 50 pfg gain to DM 875.00. Chemical issues extended the gains of

last week with Bayer firming DM 2 to DM 221 with Hoechst DM 1.70 stronger at DM 220.20. BASF managed a more modest gain of 50 pfg to DM 221.00. A strong first-half result for Schering took the chemical group DM 2.50 higher

to DM 463.00 Milan was unsettled by profit-taking

and book-squaring that generated severe selling pressure at times. The Ban-

ca Commerciale index lost 5.13 to 357.43. Some recent favourites surrendered part of their hard-won gains of last week. BI Invest, which is seeking Montedison's purchase of a 37 per cent stake in BI Invest to be declared illegal. lost L300 to L6,320 while the chemical group lost L55 to L2,007.

Banca Commerciale, which recently announced partial privatisation plans, declined L400 to L22,800. Pirelli moved further from its recent peak for 1985 with a L149 drop to L5,801 and Fiat was trimmed back L85 to L4,035.

Amsterdam started the week lower as investors waited for a host of corporate results to provide a sufficient diet of new

market shaping influences. Unilever dropped FI 5 to FI 326.50 ahead of today's results, while Hoogovens held steady at FI 65.10 after an early less of 50 areas. loss of 50 cents ahead of results tomorrow. Philips, also due to report tomorrow, retreated 20 cents to F1 46.30.

Amro, which moved ex-dividend. turned F1 2.70 cheaper to F1 85.80. Fokker displayed some resilience with its FI 2.20 rise to FI 84.20.

Bond prices are expected to remain firm throughout the week. A hesitant Paris saw prices drift lower although electricals moved against the trend. Radiotechnique put on FFr 14 to FFr 297 while in stores Carrefour picked up FFr 2 to FFr 2,342 and Au Printemps

closed FFr 3 higher at FFr 282. Matra firmed FFr 3 to FFr 1,758 ahead of its agreement to sell a substantial holding in its printed circuits subsidiary

to Hadeo of the U.S. L'Oreal shed FFr 44 to FFr 2,206 on higher first-half turnover figures.
Zurich was left mixed with banks and insurers barely changed from Friday's

levels. Food groups were mixed with Nestlé SwFr 75 higher to SwFr 6,750 and Jacobs Suchard SwFr 25 cheaper at SwFr 6,550. * Madrid secured a small advance while

Stockholm trading was undistinguished.

AUSTRALIA

Two forces for rise to records

DOMESTIC investors pushed Sydney shares prices to higher peaks yesterday as foreign support for local gold issues

underpinned the market's strength.
The All Ordinaries surpassed Friday's record with a further 7.7 gain to another

all-time high of 949.4 with the All-Re-sources index 5.5 points higher at 614.50. The improved bullion price was reflected in a more vigorous golds sector with Central Norseman 28 cents up at A\$9.48, Kidston 20 cents dearer at A\$5.50 and Poseidon 13 cents ahead at

Overseas investors are shifting out of South African gold shares into Australian issues and are likely to continue if the political situation in South Africa de-

teriorates further. The media sector was featured with News Corporation jumping 40 cents to A\$7 and Fairfax firming 10 cents to A\$8.10. Herald & Weekly Times held

steady at A\$4.80. Recently active retailers saw Myer add 6 cents to ASS.41 and G. J. Coles pick

up 15 cents to A\$4.10. Woolworths added 2 cents to A\$3.48. BHP displayed the broad tone of the

market with an 8-cent advance to

Among banks, ANZ added 6 cents to A\$5.24 although Westpac moved against

the trend with a 8-cent decline to A\$4.76.

LONDON

Gilts firm on sterling advance

THE RENEWED strength of sterling against the U.S. dollar encouraged a revival in government securities in London yesterday which fostered a brighter

tone in leading shares.

Interest in the equity market centred initially on Britoil and the start of trading in the new 100p-paid shares. The opening premium of around 23p was stally between continuistic forecasts. slightly below some optimistic forecasts but turnover eventually exceeded most

expectations. Small sales from stags were easily absorbed and the price firmed to 124p before easing to 120p and settling at 122p.

Britoil "old shares" suffered from switching operations and reacted to close at 202p, down 12p after allowing for the dividend deduction.

International stocks were neglected because of the stronger pound. Slightly better than expected producer price and retail sales gave the market's general sentiment a boost. After opening 2.5 down the FT Ordinary share index ralls ed to close 4.7 higher at 964.2

Fresh overseas and domestic demand.

for gilts enabled the authorities to sell the last of the £220m tranche of Exche-

quer 9% per cent 1988 95%. Chief price changes, Page 27; Be-tails, Page 26; Share information service, Page 24-25

HONG KONG

LINGERING takeover speculation aided a strong advance in Hong Kong as the Hang Seng index firmed another 22.92 to 1,699.43 on higher turnover.

The speculation centred on Jardine

Matheson and Hongkong Land, despite denials of involvement by Hutchison Whampoa and Singapore businessman Khoo Tech Puat, two of the parties said to be involved.

Hutchison added 60 cents to HK\$27.80, Cheung Kong and Jardine Matheson 30 cents each to HK\$18.40 and HK\$13.80 respectively. Hongkong Landrose 15 cents to HK\$6.65.

The Hongkong Wharf group was buoyed by speculation of a restructuring and closed 30 cents higher at HK\$7.35. Trading in Associated Hotels was sus-

pended pending an announcement from the company. It closed at 66 cents on Fri-

day. China Light added 10 cents to HK\$16.20 and Hongkong Bank 5 cents

SINGAPORE

THE TEMPO of trading declined sharply in Singapore as the market remained under the shadow of the Prime Miniss econ

Falls were widespread with price movements mostly narrow. Turnover declined from 12.1m to 8.4m shares as the Straits Times industrial index fell 6.13 to

Federal Clothes was the most active stock, closing 1 cent lower at S\$1.06 on a turnover of 521,000 shares.

UOB firmed 6 cents to S\$3.76 on a turnover of 322,000 units, despite lower half-year results. Promet, the third most active stock with a volume of 290,000 shares, lost 4 cents to S\$1.10.

Genting eased 15 cents to S\$5.55, G.I. Holdings 9 cents to S\$2.07, Haw Par 4 cents to S\$2.12, Cycle 8 cents to S\$3.36 and DBS 10 cents to S\$5.10.

Hotels and property stocks also eased while commodities were narrowly

Notice of Redemption



European Investment Bank

161/2% Bonds Due September 15, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of September 15, 1981 among European Investment Bank (the "Issuer"), and The Chase Manhattan Bank (National Association) as Fiscal Agent and Paying Agent, all the above-mentioned Bonds (the "Bonds") will be redeemed on September 15, 1985 (the "Redemption Date") at the price of 100.75% of their principal amount, together with interest accrued to the Redemption Date. Payment will be made upon presentation and surrender of the Bonds at the below listed paying agencies, together with all appurtenant coupons maturing subsequent to the Redemption Date. The amount of any missing, unnatured coupons will be deducted from the sum otherwise due for payment.

Description Date. Payments will be made at any of the following paying agencies listed below:

The Chase Manhatian Bank, N.A. Corporate Sinking Fund Operations Box 2020, 1 New York Plaza-14th Floor New York, N.Y. 10081 Union Bank of Switzerland CH-8021 Zurich

The Chase Manhattan Bank, S.A. (Luxembourg)
47 Boulevard Royal Luxembourg, Luxembourg

Union Bank of Switzerland, S.A. (Luxembourg) 36-38 Grand Rue Luxembourg, Luxembourg

Caisse D'Espargne De L'Etat Du Grand - Duche de Luxembourg Banque de l'Etat, 1 Place de Metz Luxembourg, Luxembourg

EUROPEAN INVESTMENT BANK

By The Chase Manhattan Bank (National Association), Fiscal Agent and American Paying Agent

Dated: August 13, 1985

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